

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD OF COMMISSIONERS ANNUAL MEETING
MINUTES
January 23, 2020
EDC Office, Willmar, MN**

Present: Steve Ahmann, Fernando Alvarado, Julie Asmus, Harlan Madsen, Roland (Rollie) Nissen and Kathy Schwantes

Staff: Aaron Backman, Executive Director; Connie Schmoll, Business Development Manager

Guests: Scott Van Buren and Kasey Nelson of Westberg Eischens; Ron Kresha of Golden Shovel; and Zack Mahboub

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Kathy Schwantes called the meeting to order at approximately 11:31 a.m. welcoming Steve Ahmann to the board and declaring a quorum was present.

AGENDA—There were no changes to the Agenda.

MINUTES

IT WAS MOVED BY Harlan Madsen, SECONDED BY Rollie Nissen, to approve the Minutes of the October 24, 2019 meeting of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board of Commissioners as e-mailed. All present voted unanimously in favor by roll call.

TREASURER’S REPORT—Chair Schwantes presented the financial reports for periods ending October 31, November 30 and December 31, 2019. Aaron Backman reviewed the most recent financial reports reporting total assets on the Balance Sheet of \$1,043,365.71. Backman noted that last year this board reserved funds for the new Microenterprise Loan Fund. Backman provided comparisons of total income and expenses between 2019 and 2018 indicating the expenses related to the Highway 23 Coalition will be less in 2020 since it hired a coordinator. Expenses related to the Opportunity Zone are listed as Special Projects under the Marketing and Public Relations Committee. Backman stated the equipment expense in 2019 was the new Xerox printer/copier.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Julie Asmus, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending October 31, November 30 and December 31, 2019, subject to audit. All present voted unanimously in favor by roll call.

UNFINISHED BUSINESS—There was no unfinished business.

[Scott Van Buren and Kasey Nelson joined the meeting.]

NEW BUSINESS

2018 Audit. Chair Schwantes introduced Scott Van Buren and Kasey Nelson of Westberg Eischens. Scott Van Buren presented the 2018 audit (see attached) noting it is in full compliance with the Government Accounting Standards Board (GASB) and is a clean or unqualified opinion. The audit includes a Management's Discussion and Analysis, which is new for the EDC's audit, but has been a requirement for several years. The Management's Discussion and Analysis helps new board members and others understand the work being done by the EDC. Pages 6-9 contain comparative financial information from 2017 to 2018. Cash increased due to the EDC receiving the assets of the Willmar Area Multicultural Business Center (WAMBC). Kasey Nelson reviewed the Balance Sheet on page 10. The net pension liability is new and is per GASB Statement No. 68 related to Public Employee's Retirement Association (PERA) benefits and is just under one year's payroll. Detail is included in the notes. Revenues and expenditures were comparable from 2017 to 2018. The transfer of \$103,472 is for the WAMBC assets. Page 12 is a comparison of actual to budget. Expenditures were less than budget, mainly due to grants not being received, the TIGER II grant and professional fees. Van Buren noted the EDC did well compared to its budget. Fund Balances are noted on page 16, 63% of which is unrestricted. Restricted balances include loan funds, the CEO program, tourism development and other smaller balances. Deposits are required to be insured by the FDIC and page 17 shows the required amount was insured. Note 8 on page 25 is relative to the transfer of WAMBC assets. The assets were capitalized as assets of the EDC. Note 9 on page 25 is the adjustment for PERA that had to be implemented per GASB. The notes on pages 26-28 are related to requirements of GASB. The notes on page 31 disclose that Westberg Eischens prepared financial statements. As to the separation of duties on page 32, Van Buren stated that due to a small staff and organization, it is hard to keep duties separate, which is not uncommon. Van Buren indicated this is where board involvement comes in. Van Buren encouraged the board to ask questions as the financials show the stability of the organization and if you are accomplishing your goals. Van Buren stated the board could at some point spend down funds. Westberg Eischens also disclosed on page 33 that it made material adjustments to the financials, mainly due to PERA and setting up an allowance for the CEO loans. Aaron Backman noted the CEO program is a pass through and work is done at the direction of the CEO board. Madsen expressed his appreciation for the information and the explanation of GASB.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Julie Asmus, to accept the 2018 audit as presented. All present voted unanimously in favor by roll call.

[Scott Van Buren and Kasey Nelson were excused from the meeting.]

Boards' Annual Strategic Planning Session. Chair Schwantes announced the boards' annual strategic planning session will be held Thursday, March 26, 2020 from 9:00 a.m. to approximately 3:00 p.m. Backman reported staff met with Cheryl Glaeser of Achieve TFC, who will again facilitate the planning session. The planning session will be held in the Community Room at Kandiyohi Power Cooperative. Backman noted he has invited committee chairs and partners of the EDC. A preplanning survey will be emailed to participants with a response date given. Preparatory information will be emailed about one week in advance.

Ratify actions by Joint Operations Board.

Health insurance. Chair Schwantes noted the EDC Joint Operations Board (OB) recommended approval of the 2020 health insurance premium of \$1,215.34 per person per month and look at other health insurance options for future years. Backman stated the premium is a 7.2% increase from 2019 noting that three years ago the board agreed any increase above 8% be shared by staff contributions.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Harlan Madsen, to approve the 2020 health insurance premium of \$2,430.68 per month and that the Joint Powers Board look at other health insurance options for future years. All present voted unanimously in favor by roll call.

Interest-only payments by Coffee & More. Approve interest-only payments by Coffee & More for five months (December 2019 through April 2020).

IT WAS MOVED BY Julie Asmus, SECONDED BY Fernando Alvarado, to approve interest-only payments for Coffee & More for five months beginning December 2019. All present voted unanimously in favor by roll call.

Deferral of loan payments by Willmar Child Care Center. Approve deferral of principal and interest payments by the Willmar Child Care Center (January through April 2020).

IT WAS MOVED BY Harlan Madsen, SECONDED BY Fernando Alvarado, to approve a four-month deferral of principal and interest payments by the Willmar Child Care Center on its Revolving Loan Fund loan with the Kandiyohi County and City of Willmar Economic Development Commission beginning January 2020. All present voted unanimously in favor by roll call.

Connie Schmoll reported construction ran over budget and all lenders have approved a deferral. Willmar Child Care Center has applied for licensing with the state.

Loan approval. Information was provided on a loan approved by the Finance Committee to Karen Acker and Scott Bedell to purchase the Glacial Ridge Winery.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Steve Ahmann, to approve a \$25,000 loan from the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund program to Karen Acker and Scott Bedell for equipment, furniture and fixtures for their purchase of the Glacial Ridge Winery, Inc., with a five-year amortization, interest at 6% and a third security position after Central Minnesota Credit Union and Southwest Initiative Foundation. This approval is subject to receipt of an appraisal and the sellers providing carryback financing of \$50,000. All present voted unanimously in favor by roll call.

Schmoll reported the particulars for this transaction are still being worked on and the loan will not be paid until everything is done.

Approve change to Entrepreneurs' Loan Guarantee Program Manual.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Fernando Alvarado, to change the Kandiyohi County and City of Willmar Economic Development Commission's guarantee percentage under the Entrepreneurs' Loan Guarantee Program from 80% to 85% on loan requests over \$25,000. All present voted unanimously in favor by roll call.

Adopt the Microenterprise Loan Fund Manual. Backman reviewed the manual (see attached), which was based on the Revolving Loan Fund Manual.

IT WAS MOVED BY Julie Asmus, SECONDED BY Rollie Nissen, to adopt the Microenterprise Loan Fund Manual as presented. All present voted unanimously in favor by roll call.

2020 Connecting Entrepreneurial Communities Conference Application. Backman provided information on an application made by the city of New London to host a two-day Connecting Entrepreneurial Communities (CEC) Conference in the fall of 2020. The CEC is a program of the University of Minnesota Extension in partnership with other organizations. Schmoll and Stacy Ryan, secretary of the New London Business Network, agreed to co-chair the Conference, if awarded. Locations have been identified for lodging up to 200 people, a main venue, breakout sessions and meals.

[Ron Kresha joined the meeting.]

Approve invoice from Minnesota Counties Intergovernmental Trust.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Rollie Nissen to pay the invoice from Minnesota Counties Intergovernmental Trust in the amount of \$3,908 (\$3,367 for property coverage and \$541 for workers' compensation). All present voted unanimously in favor by roll call.

Opportunity Zone Prospectus. Backman introduced Ron Kresha of Golden Shovel and gave background information on the program. A copy of the Prospectus was distributed (see attached). Kresha gave a PowerPoint presentation on Opportunity Zones. Schmoll will send the Prospectus to site selectors with whom she has met. Backman noted that in 2019 Policom Corporation ranked Willmar 66 out of 542 micropolitan areas and number 1 in the state of Minnesota. Madsen requested the Policom ranking information be presented to the board at a future meeting. Backman also informed the board he was contacted by *Business In Focus*, which was aware of Kandiyohi County's Policom ranking and will again feature Kandiyohi County at no charge to the EDC.

[Kresha was excused from the meeting and Zack Mahboub joined the meeting.]

Census 2020 request. Chair Schwantes welcomed Zack Mahboub.

[Rollie Nissen was excused from the meeting.]

Backman stated the United Somali Community of Willmar is working with the 2020 Complete Count Census Committee and is requesting \$5,000 from the EDC to hire educators to enable an accurate count of Somalis and East Africans. Backman noted an inaccurate count affects the county financially. If approved, Backman recommends the contribution be taken from the Business Retention and Expansion/Recruitment

Grants line on the budget. Mahboub stated the 2020 Complete Count Census Committee includes Pablo Obregon, who is doing outreach. In 2010, Kandiyohi County's census was undercounted by 30% according to Congressman Collin Peterson's office. An inaccurate count also affects Minnesota's congressional seats. Mahboub's business, West Central Interpreting, will translate some documents and also do interpreting, door-to-door contact and at large gatherings. He also discussed the challenges of new Americans who may be illiterate and cannot read census documents. Mahboub was encouraged to also include interpreting for the local Karen community.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Harlan Madsen, to provide \$5,000 to the United Somali Community of Willmar for its work with the 2020 census to be paid from the Business Retention and Expansion/Recruitment Grants line on the budget. All present voted unanimously in favor by roll call.

[Mahboub was excused from the meeting.]

ANNUAL MEETING

Reappoint members to EDCOB. Backman noted the Willmar City Council recommended the reappointment of Les Heitke.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Julie Asmus, to reappoint Donna Boonstra and Les Heitke to three-year terms on the Kandiyohi County and City of Willmar Economic Development Commission's Joint Operations Board. All present voted unanimously in favor by roll call.

Approve 2020 standing committees/subcommittees and reappoint committee members.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Julie Asmus, to approve the following standing committees and subcommittee for 2020:

Agriculture and Renewable Energy Development Committee
Ag Marketing and Event Planning Subcommittee
Ag Industrial Hemp Exploratory Subcommittee
Broadband and Advanced Technology Committee
Business Retention and Expansion/Recruitment Committee
Finance Committee; and
Marketing and Public Relations Committee

and to approve the committee members on the attached list. All present voted unanimously in favor by roll call.

Selection of official newspaper. Chair Schwantes stated the West Central Tribune has been the official newspaper.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Harlan Madsen, to select the West Central Tribune as the official newspaper for the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

Regular meeting time, date and location. Chair Schwantes informed the board the current meeting time, date and location are 11:30 a.m. quarterly on the fourth Thursday in January, April, July and October at the EDC office.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Steve Ahmann, to set the regular meeting time, date and location for meetings of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Powers Board for 11:30 a.m. quarterly on the fourth Thursday in January, April, July and October at the EDC office. All present voted unanimously in favor by roll call.

Election of officers. Chair Schwantes stated that historically the chair serves two years and the position has alternated every two years between the county and city representatives.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Julie Asmus, to elect Rollie Nissen as chairperson of the Kandiyohi and City of Willmar Economic Development Commission Joint Powers Board. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Fernando Alvarado, to elect Julie Asmus as vice chairperson of the Kandiyohi and City of Willmar Economic Development Commission Joint Powers Board. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Harlan Madsen to elect Fernando Alvarado as secretary of the Kandiyohi and City of Willmar Economic Development Commission Joint Powers Board. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Julie Asmus to re-elect Harlan Madsen as treasurer of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board. All present voted unanimously in favor by roll call.

Appoint board members to Audit Committee. Chair Schwantes reported Harlan Madsen and Rollie Nissen served on the Audit Committee last year. Rollie Boll and Jesse Gislason volunteered to serve on behalf of the EDCOB.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Julie Asmus, to appoint Harlan Madsen to the Audit Committee for the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

Appoint Liaison to EDCOB. Chair Schwantes stated Roger Imdieke was this board's liaison to the Joint Operations Board for the past few years. The Joint Operations Board holds its meeting at 11:00 a.m. on the second Thursday of each month. The liaison attends the monthly meetings of the Joint Operations Board or appoints an alternate in their place.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Steve Ahmann, to appoint Julie Asmus as the Joint Powers Board liaison to the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board. All present voted unanimously in favor by roll call.

Appoint board members to perform Executive Director's annual review . Chair Schwantes asked for volunteers to perform the Executive Director's annual review noting the tradition is for the chair and vice chair to serve.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Fernando Alvarado, to appoint the Joint Powers Board chair and vice chair to perform the Executive Director's annual review.

Serving from the EDCOB are president Kelly TerWisscha and vice president Kerry Johnson.

STRATEGIC PRIORITY AREAS

Agricultural Innovation. Schmoll reported the Ag Committee has started planning for the Partners In Ag Innovation Conference with MinnWest Technology Campus. She also recently met with the Willmar Lakes Area Chamber of Commerce and Christianson PLLP to host a succession planning and coping with farm stress in March. The Industrial Hemp Exploratory Subcommittee continues to look at options for processing industrial hemp. Harold Stanislawski of the Agricultural Utilization Research Institute participates in the monthly meetings and is promoting Kandiyohi County. Backman noted the number of producers who raise hemp continues to increase significantly in Minnesota.

[Steve Ahmann was excused from the meeting.]

Broadband. Schmoll reported Compass Consultants, Inc. completed the Broadband Market Survey and Engineering Analysis for the Townships of Dovre, Mamre and St. Johns (see attached). The estimated cost of the project is \$3.98 million with the provider potentially contributing 15% of the cost. Madsen did not believe the county would participate in funding and indicated the preference would be for the townships to do the funding as they have better bonding capabilities. Backman stated it takes public/private partnerships to get projects like this done and voiced his concern with the cost to the consumer. Madsen noted he is now receiving service through Vibrant Broadband, an affiliate of the Meeker Cooperative Light and Power Association.

Business Support. Schmoll continues to work on edits to the community video. The video will be shown to the Marketing and Public Relations Committee at its meeting on Monday. The video will be shown at the boards' planning session.

Workforce Development. Backman addressed the Women-on-the-Move Training Opportunity flyer included in the board packet (see attached) and reported Ridgewater College raised the funds necessary to purchase a CDL simulator that will arrive this spring. Ridgewater is working on raising funds to purchase a second simulator.

REPORTS

Childcare. Schmoll reported the Spicer Early Learning Center opened December 31, 2019 and has extra room for infants. Willmar Child Care Center has staff lined up. See her attached report for additional information.

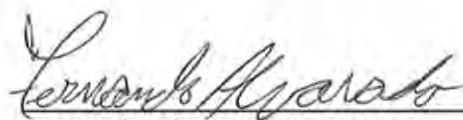
Highway 23 Coalition. Backman reviewed the 2020 Priority Projects for the Highway 23 Coalition (see attached). Minnesota Department of Transportation District 8 is funding the intersection safety study in Clara City, which was a 2019 Priority Project. Jessie Vlaminc is the coordinator for the safety study, which will begin in April. Backman announced he will be stepping down from overseeing the Coalition's membership recruitment after the hiring of Bob Byrnes as the Coalition's coordinator.

Retail Business Design Workshop Final Report. Backman provided information on the participants in the Retail Business Design Workshops. Four businesses were selected to receive one-on-one technical assistance and received small grants to implement recommended action plans. Additional information on the program is in his End Project Report and financial report (see attached). Backman noted one participant, Beauty Box Boutique, was featured on WCCO TV. The participants have continued to meet at their various businesses bi-monthly. Schmoll reported the EDC will make a presentation on the program to Minnesota economic developers at a meeting in March. Schwantes stated the University of Minnesota Extension requested the program be replicated electronically throughout the state followed by local workshops. Jackie Parr, a University of Minnesota College of Design doctoral student, is making a presentation on the program at a national conference in New Orleans. Schwantes stated it was a very successful program.

Business visits and meetings. Backman highlighted information from his written report (see attached), including the Epitopix project, a presentation he gave to the Greater Minnesota Housing Board and that he is president of the Minnesota Association of Professional County Economic Developers in 2020. Schmoll highlighted information from her trip to Washington, D.C. where she and Donna Boonstra met with staff of Senators Tina Smith and Amy Klobuchar and Rep. Collin Peterson. Schmoll will be attending the Area Development Site Selector convention in Detroit, Michigan, in March.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 1:45 p.m.

NEXT MEETING—The next regular board meeting is 11:30 a.m., Thursday, April 23, 2020, at the EDC office.


Fernando Alvarado, Secretary

APPROVED: 4/23/2020:


Rollie Nissen, Chairperson

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
WILLMAR, MINNESOTA**

ANNUAL FINANCIAL REPORT

**YEAR ENDED
December 31, 2018**

WESTBERG EISCHENS, PLLP
Certified Public Accountants
Willmar, Minnesota 56201

TABLE OF CONTENTS

	<u>PAGE</u>
BOARD OF DIRECTORS.....	1
INDEPENDENT AUDITOR'S REPORT	2-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS	
Governmental Fund Balance Sheet and Governmental Activities – Statement of Net Position with Adjustments to Convert Modified to Full Accrual.....	10
Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and Governmental Activities – Statement of Activities with Adjustments to Convert Modified To Full Accrual.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Comparison – General Fund	12
NOTES TO FINANCIAL STATEMENTS	13-25
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of Net Pension Liability.....	26
Schedule of Employer Contributions	27
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....	28
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
SCHEDULE OF FINDINGS AND RECOMMENDATIONS	31-33

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
BOARD OF DIRECTORS
December 31, 2018**

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>	<u>Representing</u>
Board of Directors – Joint Powers Board			
Chair	Kathy Schwantes	12/31/2018	City of Willmar
Vice-Chair & EDCOB Liaison	Roger Imdieke	12/31/2018	Kandiyohi County
Secretary	Roland Nissen	12/31/2018	Kandiyohi County
Treasurer	Andrew Plowman	12/31/2018	City of Willmar
Board Member	Harlan Madsen	12/31/2018	Kandiyohi County
Board Member	Fernando Alvarado	12/31/2018	City of Willmar
Board of Directors – Operations Board			
President	Donna Boonstra	12/31/2019	
Vice President	Kelly TerWisscha	12/31/2020	
Secretary	Art Benson	12/31/2018	
Treasurer	Roland Boll	12/31/2018	
Board Member	Robert Carlson	12/31/2018	
Board Member	Lester Heitke	12/31/2019	
Board Member	Kerry Johnson	12/31/2020	
Ex-Officio	Bruce Peterson	Annually	



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kandiyohi County and City of Willmar Economic Development Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and General Fund of the Kandiyohi County and City of Willmar Economic Development Commission (EDC), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the EDC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Kandiyohi County and City of Willmar Economic Development Commission, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 9 to the financial statements, the EDC adopted new accounting guidance, *GASB Statement 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability, and schedule of employer contributions on pages 4-9 and 26-27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basis financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The Board of Directors section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the Kandiyohi County and City of Willmar Economic Development Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the EDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the EDC's internal control over financial reporting and compliance.

Westberg Eischens, PLLP

Westberg Eischens, PLLP
Willmar, Minnesota

December 18, 2019

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Introduction

The Kandiyohi County and City of Willmar Economic Development Commission (EDC) was established on July 1, 2003, by a joint powers agreement between Kandiyohi County and the City of Willmar by resolution pursuant to 1989 Minnesota Laws, First Special Session, Chapter 1, Article 17. The EDC was set up to encourage, attract, promote, and develop economically sound industry and commerce within the County and City.

The EDC has two boards – the Joint Operations Board and the Joint Powers Board. The Joint Operations Board of Directors consists of seven members, primarily representatives from businesses, that meet monthly and review day-to-day functions of the EDC. The Joint Powers Board of Directors consists of six members, three Kandiyohi County commissioners and three Willmar City Council members, that meet quarterly to set policies for the organization, appoint members to the Joint Operations Board, approve the EDC budget, and act as final authority for business loan approvals.

Among the significant activities of the EDC are:

- Providing gap loans (or subordinate loans) to small businesses in Kandiyohi County.
- Providing technical and financial assistance to businesses of all sizes.
- Assisting entrepreneurs to start a business, including diverse business owners.
- Marketing efforts to promote the Kandiyohi County area to existing and prospective businesses locally, regionally, and nationally, including through social media marketing.
- Undertaking Business, Retention, and Expansion (BRE) surveys to better understand local business needs.
- Continuing to support feasibility studies for new agricultural ventures both in terms of money and staff time.
- Continuing to plan for and hold ag-related events (e.g. in 2019 the proposed Partners in Ag Innovation Conference in Willmar).
- Continuing to be a funder and collaborator of the co-working space WORKUP located at the MinnWest Technology Campus.
- Supporting partners in major infrastructure efforts (e.g. Willmar Railroad Wye; Hwy 23 Coalition; Industrial Park expansions in the county, etc.).
- Continuing to provide leadership on the development of affordable housing projects.
- Continuing to provide support for a variety of housing, including senior housing multi-family rental units, single-family homes, market-rate housing, etc.
- Supporting private and public partners to address the need for adequate child care throughout Kandiyohi County.
- Supporting workforce events and programs in Kandiyohi County (e.g. West Central MN Area Job Fair and the CLUES workforce programs, including Diverse CNA and Diverse Welding classes).
- Supporting private and public partners to extend high-speed broadband to all parts of Kandiyohi County.

The EDC presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2018, to assist the reader in focusing on significant financial issues and concerns. This discussion and analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, issued June 1999.

The EDC's December 31, 2018 annual financial report consists of two parts – the management's discussion and analysis and the basic financial statements (which include notes to those financial statements).

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Financial Highlights

Under GASB 34, the Kandiyohi County and City of Willmar Economic Development Commission's single government activities financial statement for December 31, 2018, report on all of the EDC's assets, liabilities, revenues, expenses and net position under the programs it administers. In summary, the EDC's financial highlights include the following:

- Ø Total assets of the EDC were approximately \$1 million at December 31, 2018. Total deferred outflows of resources were approximately \$31 thousand at December 31, 2018. Total liabilities of the EDC were approximately \$172 thousand at December 31, 2018. Total deferred inflows of resources were approximately \$56 thousand at December 31, 2018. Thus, total net position was approximately \$809 thousand at December 31, 2018.
- Ø Total revenue increased by approximately \$300 during the year ended December 31, 2018. Total revenues were approximately \$566 thousand for the year ended December 31, 2018.
- Ø Total expenses increased by approximately \$21 thousand during the year ended December 31, 2018. Total expenses were approximately \$513 thousand for the year ended December 31, 2018.
- Ø Net position increased by approximately \$2 thousand for the year ended December 31, 2018, including a transfer and prior period adjustment.

Financial Statements

The EDC is presenting its discussion and analysis based on the financial results of its programs in two basic financial statements – the statement of net position and the statement of activities. The statement of net position (similar to a balance sheet) reports all financial and capital assets of the EDC and is presented in a format where assets equal liabilities plus net position. Net position is broken down into the following categories:

- Ø *Net investment in capital assets* - consists of all capital assets net of accumulated depreciation and reduced by the outstanding balances of the capital assets' related debt.
- Ø *Restricted net position* - consists of assets which uses are restricted by donors, grantors or other legally binding obligations.
- Ø *Unrestricted net position* - consists of net position that do not meet the definition of net investment in capital assets or restricted net position.

The statement of activities (similar to an income statement) includes operating revenues, such operating expenses, administrative, and depreciation. The statement's focus is the change in net position (similar to net income or loss).

These financial statements utilize the economic resources measurement focus and the accrual basis of accounting. They report the EDC's net position and changes in net position in full compliance with GASB 34. Under the accrual basis of accounting, revenues are recognized in the period they are received and expenses in the period when they are incurred and posted.

This entity-wide presentation represents several programs and activities. The EDC has five standing committees that are funded on a yearly basis – Ag/Renewal Energy Development, Broadband & Advanced Technology, Business Retention & Expansion, Finance, and Marketing & Public Relations. These are active committees with over 50 volunteers that serve on them. The EDC budgeted \$85,380 for EDC Committee expenses and actual expenditures totaled \$85,684 in 2018. This included \$34,000 that is provided to the Willmar Lakes Area Convention & Visitors Bureau (CVB) for marketing purposes. These programs are financed by county funds, state and federal grants, and other (charges and fees).

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Net Position

Table I reflects the EDC's condensed summary of the statement of net position as of December 31, 2018, with comparative amounts for 2017.

**Table I
Summary of Statement of Net Position
As of December 31**

<u>Description</u>	<u>2018</u>	<u>2017</u>	<u>Change</u>
Current and other assets	\$ 993,238	\$ 831,436	\$ 161,802
Capital assets, net	<u>12,441</u>	<u>12,124</u>	<u>317</u>
Total assets	<u>1,005,679</u>	<u>843,560</u>	<u>162,119</u>
Deferred outflows related to pension	<u>30,584</u>	<u>-</u>	<u>30,584</u>
Total deferred outflows of resources	<u>30,584</u>	<u>-</u>	<u>30,584</u>
Current and other liabilities	27,547	36,718	(9,171)
Long-term liabilities	<u>144,237</u>	<u>-</u>	<u>144,237</u>
Total liabilities	<u>171,784</u>	<u>36,718</u>	<u>135,066</u>
Deferred inflows related to pension	<u>55,548</u>	<u>-</u>	<u>55,548</u>
Total deferred inflows of resources	<u>55,548</u>	<u>-</u>	<u>55,548</u>
Net position			
Net investment in capital assets	12,441	12,124	317
Restricted net position	287,187	354,857	(67,670)
Unrestricted net position	<u>509,303</u>	<u>439,861</u>	<u>69,442</u>
Total net position	<u>\$ 808,931</u>	<u>\$ 806,842</u>	<u>\$ 2,089</u>

Investments in capital assets comprise about 1% of the EDC's total assets and about 2% of the total net position.

It was a positive year for the EDC's 2018 statement of net position. Current and other assets increased by \$161,802 and for the first time assets of the organization exceeded \$1 million. The largest contributor for the increase in assets was the transfer of assets from the Willmar Area Multicultural Business Center (WAM-BC), a 501(c)3 non-profit organization that assisted diverse business entrepreneurs. First added in November 2018, the WAM-BC assets added \$50,989 in cash, \$50,336 in loans receivable, and \$2,147 in capital assets to the statement of net position.

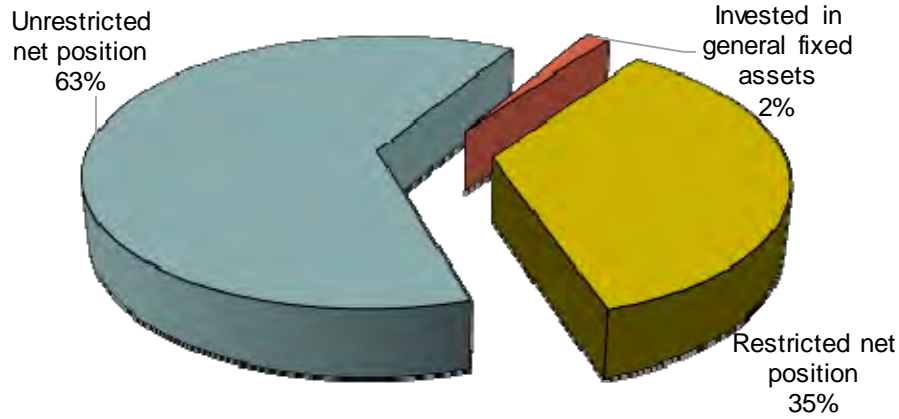
The long-term liabilities increased based on the adoption of GASB 68 in 2018.

Unrestricted net position includes cash, receivables, and other assets, less all other liabilities not previously applied. The following graph illustrates the relative percentage of the EDC's net position for net investment in capital assets, restricted net position, and unrestricted net position:

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Net Position (continued)

Net Position as of December 31, 2018



In July of 2018 the Joint Powers Board approved setting a \$100,000 reserve for the WAM-BC loan fund and increasing the reserves of the EDC's Revolving Loan Fund (RLF) to \$300,000 effective the beginning of 2019.

Statement of Activities

The results of the EDC's operations are reported in the statement of activities. Table II presents a condensed summary of data from the EDC's statements of activities.

**Table II
Summary of Statement of Activities
Years Ended December 31**

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Revenues			
Program revenues:			
Intergovernmental	\$ 1,068	\$ 15,000	\$ (13,932)
Charges for services	435	466	(31)
General revenues:			
Property taxes	516,461	498,765	17,696
Interest income	14,870	11,562	3,308
Other income	33,040	39,786	(6,746)
Total revenues	<u>565,874</u>	<u>565,579</u>	<u>295</u>
Expenses			
Program expenses:			
Salaries including related taxes and benefits	236,724	216,192	20,532
Administration	139,076	137,278	1,798
Committees and special projects	54,804	57,318	(2,514)
Events and programs	32,072	23,049	9,023
Grants and donations	47,666	55,759	(8,093)
Depreciation	3,077	2,649	428
Total expenses	<u>513,419</u>	<u>492,245</u>	<u>21,174</u>

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Statement of Activities (continued)

**Table II (continued)
Summary of Statement of Activities
Years Ended December 31**

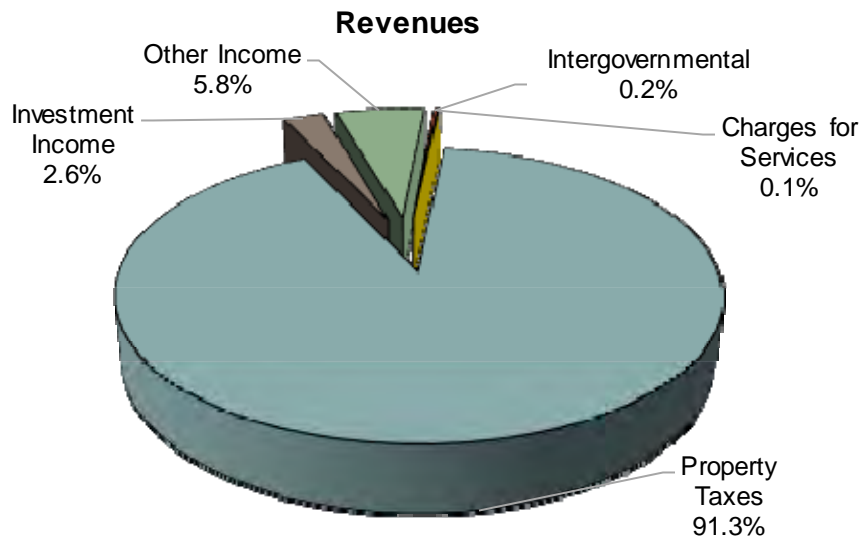
	<u>2018</u>	<u>2017</u>	<u>Change</u>
Excess of revenues over expenses	52,455	73,334	(20,879)
Transfer	<u>103,472</u>	<u>-</u>	<u>103,472</u>
Change in net position	<u>155,927</u>	<u>73,334</u>	<u>82,593</u>
Net position - beginning as originally stated	806,842	733,508	73,334
Prior period adjustment	<u>(153,838)</u>	<u>-</u>	<u>(153,838)</u>
Net position - beginning as restated	<u>653,004</u>	<u>733,508</u>	<u>(80,504)</u>
Net position - ending	<u>\$ 808,931</u>	<u>\$ 806,842</u>	<u>\$ 2,089</u>

The decrease in intergovernmental revenues reflects a one-time grant of \$15,000 in 2017 from the Southwest Initiative Foundation (SWIF) for a Diverse BRE Program that entailed surveying diverse business owners in the Willmar area and producing a report on the results. The increase of \$20,532 in salaries reflects increases in salaries of staff based on performance and the addition of a summer intern at the EDC. The transfer of \$103,472 reflects the transfer of assets from the WAM-BC organization that was dissolved. The EDC assisted the non-profit in the dissolution process and took over the non-profit's microenterprise loan portfolio.

Financial Analysis of the Organization as a Whole

The EDC is a special taxing district and is primarily funded through levies with the County. In 2018 the county levy represented 91% of the EDC's revenues, with the remainder split among RLF loan repayment interest, savings interest, event sponsorships, grants and intergovernmental revenue.

The following graph illustrates the major sources of these revenues and related percentages:

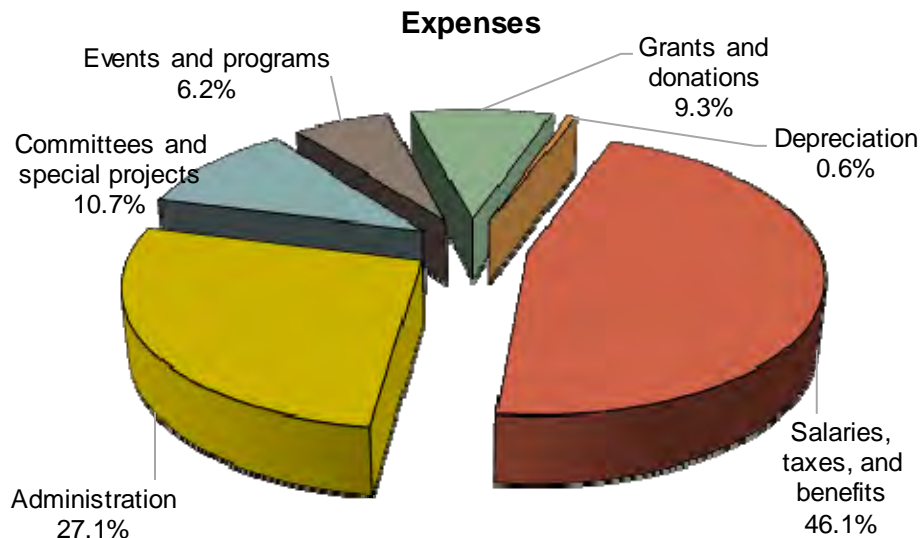


**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018**

Financial Analysis of the Organization as a Whole (continued)

For the year ended December 31, 2018, the EDC incurred operating expenses of \$513 thousand. Approximately 46% of the agency's expenses were tied to staff salaries and benefits and 27% were administrative expenditures.

The following graph illustrates the major expense groups and the percent of the total expense each represents for the year ending December 31, 2018:



General Fund Budgetary Highlights

General revenues from property taxes for the EDC increased from \$498,765 to \$516,461 or 3.5% over the previous year. Expenses for the organization increased from \$492,245 to \$513,419 or by 4.3% over the previous year. The EDC's Joint Powers Board of Directors revised the 2018 budget in July of 2018 to increase employee compensation line item for hiring a summer intern in the amount of \$3,500 to be funded from reserves.

Capital Assets

At the end of 2018, the EDC had \$12,441 (net of accumulated depreciation) invested in various leasehold improvements, furniture, and equipment. Refer to Note 3 of the notes to the financial statements for a schedule showing the EDC's capital asset activity.

Long-Term Debt

At the end of 2018, the EDC had \$19,941 in compensated absences and \$144,237 in net pension liability. Refer to Note 3 of the notes to the financial statements for a schedule showing the EDC's long-term debt activity.

Contacting the EDC's Management

This financial report is designed to provide the State of Minnesota, city and county officials, taxpayers, and citizens with a general overview of the EDC's finances and to demonstrate the EDC's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Kandiyohi County and City of Willmar Economic Development Commission, 222 20th Street SE, P.O. Box 1783, Willmar, MN 56201, 320-235-7370.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
GOVERNMENTAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
WITH ADJUSTMENTS TO CONVERT MODIFIED TO FULL ACCRUAL
December 31, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
ASSETS			
Cash and cash equivalents	\$ 434,568	\$ -	\$ 434,568
Certificates of deposit	181,041	-	181,041
Receivables			
Delinquent taxes	14,059	-	14,059
Loans, net of allowance	231,192	-	231,192
Prepaid expense	2,056	-	2,056
Rent deposit	3,600	-	3,600
Restricted cash	126,722	-	126,722
Capital assets			
Depreciable - net	-	12,441	12,441
Total Assets	<u>993,238</u>	<u>12,441</u>	<u>1,005,679</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	-	30,584	30,584
Total Deferred Outflows of Resources	<u>-</u>	<u>30,584</u>	<u>30,584</u>
LIABILITIES			
Accounts payable	3,920	-	3,920
Payroll liabilities	3,436	-	3,436
Rent deposit	250	-	250
Long-term liabilities			
Due in more than one year			
Compensated absences	-	19,941	19,941
Net pension liability	-	144,237	144,237
Total Liabilities	<u>7,606</u>	<u>164,178</u>	<u>171,784</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	-	55,548	55,548
Unavailable revenue - taxes	7,597	(7,597)	-
Total Deferred Inflows of Resources	<u>7,597</u>	<u>47,951</u>	<u>55,548</u>
FUND BALANCE			
Fund balance			
Nonspendable	2,056	(2,056)	-
Restricted	287,187	(287,187)	-
Committed	6,949	(6,949)	-
Assigned	25,750	(25,750)	-
Unassigned	656,093	(656,093)	-
Total Fund Balance	<u>978,035</u>	<u>(978,035)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>993,238</u>	<u>(765,906)</u>	<u>227,332</u>
NET POSITION			
Net investment in capital assets	-	12,441	12,441
Restricted	-	287,187	287,187
Unrestricted	-	509,303	509,303
Total Net Position	<u>\$ -</u>	<u>\$ 808,931</u>	<u>\$ 808,931</u>

The notes to the financial statements are an integral part of this statement.

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
AND GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES
WITH ADJUSTMENTS TO CONVERT MODIFIED TO FULL ACCRUAL
For The Year Ended December 31, 2018**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
REVENUES			
Property taxes	\$ 516,661	\$ (200)	\$ 516,461
Charges for services	435	-	435
Intergovernmental	-	1,068	1,068
Interest income	14,870	-	14,870
Miscellaneous	33,040	-	33,040
TOTAL REVENUES	<u>565,006</u>	<u>868</u>	<u>565,874</u>
EXPENDITURES			
Salaries and wages	182,081	8,103	190,184
Payroll taxes and benefits	51,581	(5,041)	46,540
Administrative	139,076	-	139,076
Committees and special projects	54,804	-	54,804
Events and programs	32,072	-	32,072
Grants and donations	47,666	-	47,666
Capital outlay	3,394	(3,394)	-
Depreciation	-	3,077	3,077
TOTAL EXPENDITURES	<u>510,674</u>	<u>2,745</u>	<u>513,419</u>
EXCESS OF REVENUES OVER EXPENDITURES	54,332	(1,877)	52,455
TRANSFER	<u>103,472</u>	<u>-</u>	<u>103,472</u>
NET CHANGE IN FUND BALANCE/NET POSITION	<u>157,804</u>	<u>(1,877)</u>	<u>155,927</u>
FUND BALANCE/NET POSITION, Beginning of year, as originally stated	810,748	(3,906)	806,842
PRIOR PERIOD ADJUSTMENT	<u>9,483</u>	<u>(163,321)</u>	<u>(153,838)</u>
FUND BALANCE/NET POSITION, Beginning of year, as restated	<u>820,231</u>	<u>(167,227)</u>	<u>653,004</u>
FUND BALANCE/NET POSITION, End of year	<u>\$ 978,035</u>	<u>\$ (169,104)</u>	<u>\$ 808,931</u>

ADJUSTMENTS TO CONVERT MODIFIED ACCRUAL TO FULL ACCRUAL BASIS OF ACCOUNTING:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their useful lives and reported as depreciation expense.

Capital outlay	\$ 3,394
Depreciation expense	(3,077)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(200)
----------------	-------

In the statement of activities, pension expense is measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

6,109

In the statement of activities, compensated absences are expenditures when earned. In the governmental funds, however, expenditures are recognized when paid.

(8,103)

Total adjustment between change in fund balance and change in net assets

\$ (1,877)

The notes to the financial statements are an integral part of this statement.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY COMPARISON
GENERAL FUND
For The Year Ended December 31, 2018

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	\$ 514,600	\$ 514,600	\$ 516,661	\$ 2,061
Charges for services	1,180	1,180	435	(745)
Intergovernmental	7,500	7,500	-	(7,500)
Interest income	10,560	10,560	14,870	4,310
Miscellaneous	<u>38,700</u>	<u>38,700</u>	<u>33,040</u>	<u>(5,660)</u>
TOTAL REVENUES	<u>572,540</u>	<u>572,540</u>	<u>565,006</u>	<u>(7,534)</u>
EXPENDITURES				
Salaries and wages	192,500	192,500	182,081	(10,419)
Payroll taxes and benefits	51,268	51,268	51,581	313
Administrative	166,970	166,970	139,076	(27,894)
Committees and special projects	93,130	93,130	54,804	(38,326)
Events and programs	30,000	30,000	32,072	2,072
Grants and donations	40,500	40,500	47,666	7,166
Capital outlay	<u>3,394</u>	<u>3,394</u>	<u>3,394</u>	<u>-</u>
TOTAL EXPENDITURES	<u>577,762</u>	<u>577,762</u>	<u>510,674</u>	<u>(67,088)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,222)</u>	<u>(5,222)</u>	<u>54,332</u>	<u>59,554</u>
TRANSFER	<u>-</u>	<u>-</u>	<u>103,472</u>	<u>103,472</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,222)</u>	<u>\$ (5,222)</u>	<u>157,804</u>	<u>\$ 163,026</u>
FUND BALANCE, Beginning of year, as originally stated			810,748	
PRIOR PERIOD ADJUSTMENT			<u>9,483</u>	
FUND BALANCE, Beginning of year, as restated			<u>820,231</u>	
FUND BALANCE, End of year			<u>\$ 978,035</u>	

The notes to the financial statements are an integral part of this statement.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Kandiyohi County and City of Willmar Economic Development Commission (EDC) was established by resolution on July 1, 2003, by a joint powers agreement between Kandiyohi County and City of Willmar pursuant to Minn. Laws 1989, First Special Session, ch. 1, art. 17. The EDC has all of the powers of an economic development authority under Minn. Stat. § 469.090 to § 469.107.

The Kandiyohi County and City of Willmar Economic Development Commission is governed by a six-member Board. The Kandiyohi County Board of Commissioners appoints three members and the Willmar City Council appoints three members. Each member is appointed to serve three years. The EDC elects a chair, vice-chair, secretary, and a treasurer from its members. These officers serve a one-year term of office. This Joint Powers Board meets on a quarterly basis. The EDC also has an eight member Board of Directors that oversees their operations. Each member serves three year terms. This Joint Operations Board meets on a monthly basis.

Property taxes represent a substantial portion of the EDC's revenue. The EDC is a political subdivision of the State and a special taxing district as defined by Minn. Stat. § 275.066, clause (25), with the power to adopt and certify a property tax levy to the Kandiyohi County Auditor.

The Kandiyohi County and City of Willmar Economic Development Commission is a separate entity independent of the city and the county which formed it. In accordance with generally accepting accounting principles, the EDC's financial statements are not included in either the City of Willmar's or Kandiyohi County's financial statements. Neither Kandiyohi County nor the City of Willmar retain control over the operations, has oversight responsibility, or is financially accountable for the Kandiyohi County and City of Willmar Economic Development Commission.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of position and the statement of activities) report information on all of the non-fiduciary activities of the EDC. Governmental activities are normally supported by property tax revenues.

In the government-wide statement of net position, the governmental activities column: (a) is presented on a consolidated basis by column; and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The EDC's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of each function of the EDC's governmental activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or activity. Program revenues include: (1) intergovernmental, interest income, and various other sources; and (2) grants and contributions restricted to meeting the capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the EDC's governmental fund. The emphasis of governmental fund financial statements is on the major individual governmental funds, with each displayed in a separate column in the fund financial statements.

a. Governmental Funds

The EDC reports the following major governmental fund:

The General Fund is the primary operating fund of the EDC and is classified as a major fund. It is used to account for all activities.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Shared revenues are generally recognized in the period the appropriation goes into effect. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. EDC considers all revenues as available if collected within 60 days after the end of the current period. Shared revenues, interest, and miscellaneous are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred.

D. Assets, Liabilities, and Net Position/Fund Balances

1. Cash and Cash Equivalents

The EDC has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

2. Receivables

Property taxes are levied by the Board of Directors in October each year and are certified to Kandiyohi County for collection in the following year. The County collects the taxes and periodically remits them to the EDC. The majority of these remittances are made in June and November.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from delinquent property taxes not collected within 60 days of year-end is deferred in the fund financial statements because it is not known to be available to finance the operation of the EDC in the current year.

The EDC has loans receivable consisting of various loans. A provision for uncollectible accounts is made as necessary.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods.

4. Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the EDC as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computers, furniture, and equipment	5 - 7
Leasehold improvements	10

KANDIY OHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position/Fund Balances (continued)

5. Compensated Absences

The EDC allows certain full time employees to accumulate and carryover vacation and sick leave into the next year. The policy establishes rates of pay and limits amounts allowed for carryover. The full time employees can accrue from eleven to twenty days of vacation time per year depending on years of employment, and can accrue up to twelve days of sick time per year. Full time employees may carry over up to a maximum of 160 hours of vacation time annually and a maximum of 192 hours of sick time annually.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and fund financial statements will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The EDC has one item that qualifies for reporting in this category – a deferred outflow relating to pension activity, reported in government activities – statement of net position. A deferred outflow relating to pension activity results from the net effect of the change in proportionate share and employer contributions.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The EDC has one item that qualifies for reporting in this category under full accrual basis of accounting. Accordingly, the item, deferred inflow is reported in the governmental activities – statement of net position. A deferred inflow relating to pension activity is a result of the net difference between projected and actual earnings on plan investments. The EDC also has one item that qualifies for reporting in this category under modified accrual basis of accounting. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Net Position/Fund Balances

The government-wide fund financial statements use a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted net position – laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents net position of the EDC, not restricted for any project or other purpose.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position/Fund Balances (continued)

8. Net Position/Fund Balances (continued)

In the governmental fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the EDC is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows.

Nonspendable – consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact, such as, prepaid items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of amounts that are constrained for specific purposes that are internally imposed by formal action of the EDC's Board. Those committed amounts cannot be used for any other purpose unless the Board of Directors remove or change the specified use by taking the same type of action it employed to previously commit those amounts. These constraints are established by Resolution of the Board.

Assigned – consists of amounts intended to be used by the EDC's Board for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority.

Unassigned – is the residual classification for the General Fund.

When both restricted and unrestricted sources are available for use, it is the EDC's policy to use restricted resources first, then unrestricted resources as they are needed.

At December 31, 2018, a summary of the governmental fund balance classifications are as follows:

Fund Balances	<u>General Fund</u>
Nonspendable	
Prepays	\$ 2,056
Restricted	
Tourism development	13,641
KCEO program	3,732
Revolving loan fund	269,814
Committed	
Entrepreneur's loan fund guarantees	6,949
Assigned	
Loan receivable - HRA of Willmar	25,750
Unassigned	<u>656,093</u>
Total Fund Balances	<u>\$ 978,035</u>

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

The EDC is required to annually send its budget to the Kandiyohi County Board of Commissioners and City of Willmar Council for review and approval.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

a. Deposits

Minn. Stat. § 118A.02 and § 118A.04 authorize the EDC to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all EDC deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better, and revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank, in an account at a trust department of a commercial bank, or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the EDC's deposits may not be returned to it. The EDC will obtain collateral or bonds for all uninsured amounts on deposit and the additional insurance will be documented to show compliance with state law and a perfected security interest under federal law. At December 31, 2018, the EDC deposits were covered by federal depository insurance limit of \$250,000 or collateral held in safekeeping.

b. Investments

Minn. Stat. § 118A.04 and § 118A.05 generally authorize the following types of investments as available to the EDC:

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 DETAILED NOTES ON ALL FUNDS (continued)

A. Assets (continued)

1. Deposits and Investments (continued)

b. Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The EDC does not have a formal investment policy that addresses interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The EDC does not have a formal investment policy that addresses credit risk.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The EDC does not have a formal investment policy that addresses custodial credit risk.

Concentration of Credit Risk

As of and during the year ended December 31, 2018, the EDC did not own any investments that required disclosure regarding interest rate risk, credit risk, or concentration of credit risk.

2. Receivables

Receivables as of December 31, 2018, for the EDC's governmental activities are as follows:

	<u>Total Receivables</u>	<u>Not Expected to be Collected Within One Year</u>
Governmental Activities		
Delinquent taxes	\$ 14,059	\$ 7,597
Loans receivable, net of allowance	<u>231,192</u>	<u>183,050</u>
Total Governmental Activities	<u>\$ 245,251</u>	<u>\$ 190,647</u>

Taxes receivable consist of uncollected taxes, which are classified as delinquent taxes receivable. On the EDC's governmental fund balance sheet, delinquent taxes receivable are offset by unearned revenue to indicate they are not available for spending in the current period. No provision has been made for estimated uncollectible amounts because such amounts are not expected to be material.

Loans receivable consist of the following:

HRA of Willmar – This loan receivable is a term note dated June 1, 1998. The note has no stated interest rate, is unsecured, non-guaranteed, and is due in full on June 1, 2028. At December 31, 2018, the balance of this loan was \$25,750.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 DETAILED NOTES ON ALL FUNDS (continued)

A. Assets (continued)

2. Receivables (continued)

Revolving Loan Funds – Consists of various term notes dated December 2011 through November 2017, requiring 60 monthly payments of \$475 to \$950 including interest at 5.25% to 6.25%. Matures December 2018 through November 2022. At December 31, 2018, the balance of these loans totaled \$160,465.

KCEO Student Loans – Consists of loans to student entrepreneurs in amounts of \$250 to \$600 for small business development payable within one year, non-interest bearing. At December 31, 2018, the balance of these loans totaled \$15,711. A provision has been made for estimated uncollectible amounts in the amount of \$15,711.

Willmar Area Multicultural Business Center (WAMBC) – Consists of various term notes requiring monthly payments of \$150 to \$500 including interest at 0.00% to 3.00%. Matures December 2018 through September 2023. At December 31, 2018, the balance of these loans totaled \$44,977.

3. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets being depreciated:				
Equipment	\$ 41,740	\$ 3,394	\$ -	\$ 45,134
Total capital assets being depreciated	41,740	3,394	-	45,134
Less accumulated depreciation for:				
Equipment	29,616	3,077	-	32,693
Total accumulated depreciation	29,616	3,077	-	32,693
Total capital assets being depreciated, net	12,124	317	-	12,441
Governmental activities capital assets, net	\$ 12,124	\$ 317	\$ -	\$ 12,441

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
Economic development	\$ 3,077

B. Liabilities

1. Line of Credit

The EDC secured a \$25,000 revolving line of credit with Heritage Bank in October 2017. The line of credit matures in October 2019. The line of credit is unsecured. At December 31, 2018, the balance of the line of credit was \$0.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 DETAILED NOTES ON ALL FUNDS (continued)

B. Liabilities (continued)

2. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 11,838	\$ 18,693	\$ 10,590	\$ 19,941	\$ -
Net Pension Liability	<u>159,598</u>	<u>19,635</u>	<u>34,996</u>	<u>144,237</u>	<u>-</u>
Total Governmental Activities	<u>\$ 171,436</u>	<u>\$ 38,328</u>	<u>\$ 45,586</u>	<u>\$ 164,178</u>	<u>\$ -</u>

NOTE 4 DEFINED BENEFIT PENSION PLANS

A. Plan Description

The EDC participates in the following cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the EDC are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefits provision are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. General Employees Plan benefit recipients receive a future annual 1.0% increase. If the General Employees Plan is at least 90% funded for two consecutive years, benefit increase will revert to 2.5%. If, after reverting to a 2.5% benefit increase, the funding ratio declines to less than 80% of one year or less than 85% for two consecutive years, the benefit increase will decrease to 1.0%. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLANS (continued)

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2018 and the EDC was required to contribute 7.50% for Coordinated Plan members. The EDC's contributions to the General Employees Fund for the year ended December 31, 2018, was \$13,500. The EDC's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Cost

At December 31, 2018, the EDC reported a liability of \$144,237 for its proportionate share of the General Employees Fund's net pension liability. The EDC's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the EDC's totaled \$4,581. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The EDC's proportion of the net pension liability was based on the EDC's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the EDC's proportion share was .0026% which was an increase of .0001% from its proportion measured as of June 30, 2017.

The EDC's proportionate share of the net pension liability	\$ 144,237
State of Minnesota's proportionate share of the net pension liability associated with the EDC	<u>4,581</u>
Total	<u>\$ 148,818</u>

For the year ended December 31, 2018, the EDC recognized pension expense of \$8,365 for its proportionate share of the General Employees Plan's pension expense. In addition, the EDC recognized an additional \$1,068 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the EDC reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,678	\$ 4,693
Changes in actuarial assumptions	15,368	15,780
Net collective difference between projected and actual investment earnings	-	11,062
Changes in proportion	4,788	24,013
Contributions paid to PERA subsequent to the measurement date	<u>6,750</u>	<u>-</u>
Total	<u>\$ 30,584</u>	<u>\$ 55,548</u>

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLANS (continued)

D. Pension Costs (continued)

1. General Employees Fund Pension Cost (continued)

Deferred outflows of resources related to pensions, resulting from EDC contributions subsequent to the measurement date of \$6,750, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2019	\$ (5,836)
2020	\$ (13,031)
2021	\$ (9,837)
2022	\$ (3,010)

E. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2018 valuation was based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2018:

General Employees Fund:

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions (continued)

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions .

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Markets)	25%	5.90%
Cash	2%	0.00%
	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on this assumption, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLANS (continued)

G. Pension Liability Sensitivity

The following presents the EDC's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the EDC's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Sensitivity Analysis			
<i>Net Pension Liability at Different Discount Rates</i>			
General Employees Fund			
1% Lower	6.50%	\$	234,404
Current Discount Rate	7.50%	\$	144,237
1% Higher	8.50%	\$	69,807

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE 5 RISK MANAGEMENT

The EDC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the EDC carries insurance. The EDC obtains insurance through participation in the Minnesota Counties Intergovernmental Trust (MCIT). MCIT is a risk sharing pool operated as a common risk management and insurance program for its members. The EDC pays an annual premium to MCIT for its workers compensation and property and casualty insurance. The MCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event.

NOTE 6 COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the EDC expects such amounts, if any, to be immaterial.

The Kandiyohi County and City of Willmar Economic Development Commission has entered into various loan agreements in relation to its Partial Loan Guarantee Program. Under the terms of the agreement, the EDC has guaranteed 80% of these \$25,000 (\$50,000 for 2013 and following years) loans to private businesses. Total outstanding loan balances under this loan program are \$13,897 at December 31, 2018 with the EDC Board committing to reserve 50% of the guarantee amount, or \$6,949. As of December 31, 2018, the EDC has not received any notice of default under the loan guarantee program.

NOTE 7 OPERATING LEASE

Effective December 2014, the EDC entered into a lease agreement for the office facility. Terms of the lease include monthly rent of \$1,800 for five years. Included in this lease are real estate taxes, building insurance, maintenance, and utilities. The lease is renewable for an additional 36 months. The future minimum lease payments are as follows:

Year Ending December 31:	Amount
2019	\$ 19,800

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 TRANSFER

Under an agreement between the Kandiyohi County and City of Willmar Economic Development Commission (EDC) and the Willmar Area Multicultural Business Center (WAMBC), WAMBC agreed to transfer their program operations over to the EDC. On November 2, 2018 WAMBC officially dissolved and transferred all assets, liabilities, and net position over to the EDC. As a result of the transfer, the EDC recognized the following assets, liabilities, and net position:

<u>Description</u>	<u>Amount</u>
Assets	
Cash	\$ 50,989
Loans receivable	50,336
Capital assets	<u>2,147</u>
Total Assets	<u>\$ 103,472</u>
Net Positon	
Unrestricted	<u>\$ 103,472</u>
Total Net Position	<u>\$ 103,472</u>

NOTE 9 PRIOR PERIOD ADJUSTMENT

At December 31, 2018, the EDC adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This implementation allows the EDC to report its proportionate share of collective net pension liability, deferred inflows of resources and deferred outflows of resources, and pension expense and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees less the pension plans fiduciary net pension on the financial statements. As a result, the beginning balance of the Governmental Activities net pension was decreased by \$175,310.

A prior period adjustment was required between the EDC's General Fund and Governmental Activities to remove the unavailable revenue from Governmental Activities and include the unavailable revenue in the General Fund since revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. As a result, the beginning balance of the General Fund's fund balance was decreased by \$7,797 and the beginning balance of the Governmental Activities as increased by \$7,797.

Beginning balance of the Governmental Activities was increased by \$8,233 to correct the unavailable revenue beginning balance.

A prior period adjustment was required in the EDC's General Fund to remove the compensated absences from the General Fund since, in the statement of activities, compensated absences are expenditures when earned and, in the governmental funds, expenditures are recognized when paid. As a result, the beginning balance of the General Fund's fund balance was increased by \$17,280.

Beginning balance of the Governmental Activities was increased by \$5,442 to correct the compensated absences beginning balance.

NOTE 10 SUBSEQUENT EVENTS

The EDC has evaluated subsequent events through December 18, 2019, the date the financial statements were available to be issued.

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
GENERAL EMPLOYEES RETIREMENT FUND**

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with EDC (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated With EDC (a+b)	Employer's Covered- Employee Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2018	0.0026%	\$ 144,237	\$ 4,581	\$ 148,818	\$ 171,400	86.8%	79.5%

Note: GASB Statement 68, Accounting and Financial Reporting for Pensions was adopted in 2018.

Note: Schedules are intended to show a 10 year trend. Additional years will be reported as they become available.

See notes to required supplementary information.

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES RETIREMENT FUND**

<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution (a)</u>	<u>Contributions in Relation to the Statutorily Required Contribution (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered- Employee Payroll (c)</u>	<u>Contributions as a Percentage of Covered- Employee Payroll (b/c)</u>
December 31, 2018	\$ 13,500	\$ 13,500	\$ -	\$ 180,000	7.50%

Note: GASB Statement 68, Accounting and Financial Reporting for Pensions was adopted in 2018.

Note: Schedules are intended to show a 10 year trend. Additional years will be reported as they become available.

See notes to required supplementary information.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018

NOTE 1 CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

General Employees Fund

2018 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions .



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Kandiyohi County and City of Willmar Economic Development Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Kandiyohi County and City of Willmar Economic Development Commission as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Kandiyohi County and City of Willmar Economic Development Commission's basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kandiyohi County and City of Willmar Economic Development Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the EDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the EDC's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and correct on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2018-003 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2018-001- and 2018-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the EDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

The *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the Kandiyohi County and City of Willmar Economic Development Commission failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Kandiyohi County and City of Willmar Economic Development Commission's noncompliance with the above referenced provisions.

Kandiyohi County and City of Willmar Economic Development Commission's Response to Findings

The Kandiyohi County and City of Willmar Economic Development Commission's response to the internal control and compliance findings identified in our audit is described in the accompanying schedule of findings and recommendations. The Kandiyohi County and City of Willmar Economic Development Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Kandiyohi County and City of Willmar Economic Development Commission's internal control over financial reporting or on compliance. Accordingly, this communication is not suitable for any other purpose.

Westberg Eischens, PLLP

Westberg Eischens, PLLP
Willmar, Minnesota

December 18, 2019

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Year Ended December 31, 2018

SECTION I: FINANCIAL STATEMENT FINDINGS

Finding 2018-001

Criteria:

Management is responsible for establishing and maintaining internal controls over the preparation of the financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition:

Management relies upon the auditor to prepare the financial statements and related disclosures in accordance with GAAP.

Context:

The EDC has informed us that the small size of its staff precludes the EDC from preparing their own financial statements.

Effect:

There is an increased risk that the EDC's management may not prevent or detect misstatements to the financial statements.

Cause:

The limited size of the EDC's staff and the related resources available precludes the EDC's management from preparing the financial statements.

Recommendation:

We recommend that the EDC's management establish procedures to review and approve the auditor prepared financial statements.

Current Status:

Unresolved.

CORRECTIVE ACTION PLAN (CAP)

Finding 2018-001

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The EDC's management will establish procedures to review and approve the auditor prepared financial statements and accept responsibility for them.

Officer Responsible for Ensuring CAP:

Not Applicable

Planned Completion Date:

Not Applicable

Plan to Monitor Completion of CAP:

Not Applicable

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Year Ended December 31, 2018

SECTION I: FINANCIAL STATEMENT FINDINGS (continued)

Finding 2018-002

Criteria:

Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition:

Due to the limited size of the EDC's staff, the EDC has limited segregation of duties.

Context:

The EDC has informed us that the small size of its staff precludes proper separation of duties at this time.

Effect:

The lack of segregation of duties increases the risk of misappropriation of assets.

Cause:

Limited number of staff in the office.

Recommendation:

We recommend that the EDC continue to separate incompatible duties as best it can within the limits of what the EDC considers to be cost beneficial.

Current Status:

Unresolved.

CORRECTIVE ACTION PLAN (CAP)

Finding 2018-002

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The EDC reviews and makes improvements to its internal controls on an ongoing basis, and attempts to maximize the segregation of duties in all areas within the limits of the staff available.

Officer Responsible for Ensuring CAP:

Not Applicable

Planned Completion Date:

Not Applicable

Plan to Monitor Completion of CAP:

Not Applicable

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Year Ended December 31, 2018

SECTION I: FINANCIAL STATEMENT FINDINGS (continued)

Finding 2018-003

Criteria:

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, or prevent or detect misstatements of the financial statements on a timely basis. A control deficiency that typically is considered significant is the identification by the auditor of material misstatement in the financial statements that was not identified by the entity's internal control.

Condition:

During our audit we proposed adjustments that resulted in significant changes to the EDC's financial statements.

Context:

The EDC's limited size of office personal has precluded the EDC from properly identifying and correcting the financial statements.

Effect:

The EDC's inability to detect material misstatements in the financial statements increases the likelihood that the financial statements may not be fairly presented.

Cause:

Inadequate internal controls and monitoring of internal control by the EDC's staff.

Recommendation:

We recommend that the EDC's management review internal controls currently in place, then design and implement procedures to improve internal controls over financial reporting to detect misstatements in the financial statements.

Current Status:

Unresolved.

CORRECTIVE ACTION PLAN (CAP)

Finding 2018-003

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The EDC will continue to review internal controls and work to design modifications that will increase internal control and the ability to detect material misstatements.

Officer Responsible for Ensuring CAP:

Not Applicable

Planned Completion Date:

Not Applicable

Plan to Monitor Completion of CAP:

Not Applicable

Microenterprise Loan Fund

MANUAL



Adopted by EDC Finance Committee 11/20/2019
Adopted by EDC Joint Operations Board 12/12/2019
Ratified by EDC Joint Powers Board 1/____/2020

Introduction

A Microenterprise Loan Fund was established by the former Willmar Area Multicultural Business Center and is now owned by the Kandiyohi County and City of Willmar Economic Development Commission (EDC) and administered by its Finance Committee (Committee). The Microenterprise Loan Fund is intended to be a permanent loan fund where money is available for new loans on a continuing basis as loans are repaid.

The purpose of the fund is to provide alternative (gap) financing to for-profit businesses to promote job retention, job creation and the stimulation of private investment in an effort to strengthen and diversify the economy and the tax base of Kandiyohi County. Loans will serve as matching funds to create up to 100% leverage project financing with other borrowing sources to assist existing or new businesses meeting the program eligibility. Loan money is intended to complement, not replace, existing local development and private financing efforts.

Definitions

BORROWER must be a for-profit business in Kandiyohi County. Said business shall be identified per the North American Industry Classification System (NAICS).

COMPLETE APPLICATION shall include: form completed as provided by the EDC and all items described in Application Content.

LENDING INSTITUTION is any financial institution in Kandiyohi County or located outside Kandiyohi County doing business with a company located or expanding in Kandiyohi County.

NON REAL ESTATE LOAN is any secured loan, except real estate, with a maturity greater than 1 year but not more than 5 years, which is on an amortizing schedule and repays from cash flow. The need and economic reasonableness of the loan must be firmly established. The term of the loan must not exceed its economic purpose.

MICROENTERPRISE LOAN FUND LOAN is a loan used for the primary purposes of purchasing equipment, working capital, purchasing or expanding an existing facility or constructing a new facility in Kandiyohi County.

Loan Guidelines

1. Applicants must be for-profit businesses located in Kandiyohi County, meet the eligibility guidelines of the program, and be in an eligible industry category under the Small Business Administration (SBA) guidelines.
2. Applicants must have adequate collateral and cash flow to service the debt and show additional lending to meet up to the 100% leverage guidelines.
3. The Committee shall recognize that adequate collateral is not a primary consideration in approving loans.
4. Applicants must provide a minimum of 10% owner equity as part of the 100% leverage guidelines. EDC participation not to exceed 50% of total project.
5. Applicants must provide with their application a personal credit report for principal owner(s) with 20% or more ownership.

Loan Terms

1. Minimum amount of loans—\$2,500
2. Maximum amount of loans for one borrower—\$20,000
3. The loan term shall be no less than one year and may be negotiated up to five years based upon the productive life of the assets.
4. EDC will take a security interest position in any equipment or real estate financed.
5. EDC will require personal guaranties of the applicant(s).
6. EDC will accept subordinate position loans.
7. The Microenterprise Loan Fund's collateral must be adequately insured.
8. Recipients will be charged a 1% loan origination fee plus all costs associated with the loan.

Disbursement of Funds

The borrower will sign all loan documents before funds are disbursed. Loan funds must be fully disbursed within 90 days from the date the loan is approved by the EDC Joint Operations Board of Directors.

Administration

1. The administration and operation of the Microenterprise Loan Fund program will be the responsibility of the Committee. The Committee will present all loan applications for final approval to the EDC Joint Operations Board of Directors.
2. The Committee will operate within the guidelines stated in this document.
3. Loan applications should be submitted to the EDC office, 222 20th Street SE, P.O. Box 1783, Willmar, MN 56201.
4. The Committee will advise the EDC Joint Operations Board of Directors of its activities quarterly.
5. The Committee may contract with the financial institution that originates the loan to service the loan.
6. The Committee will invest all available funds in short-term investment financial instruments. These funds will be deposited in a local financial institution in an effort to provide funds for commercial bank loans.
7. If a financial institution services the loan, it will receive the interest as its fee.
8. Because of the nature of the information that will be considered in the administration of the Microenterprise Loan Fund, the meetings of the EDC Finance Committee will be open to Committee members, the involved lending institution and affected business parties only.
9. Because of the potential for conflicts of interest in the loan decision process, any Committee member who has a potential conflict of interest in a loan request is required to reveal their position to the full Committee. The Committee member with the conflict will be allowed to assist in the application process and participate in the discussion of the loan request, but will abstain from the motion and voting on the motion to approve or reject the loan.
10. The Committee will not participate in the application process.
11. The Committee will not approve incomplete applications.
12. The Committee will recognize the increased risk associated with lower equity levels and will not recommend for approval loans that it believes do not provide sufficient cash flow opportunities to support repayment of the obligation.
13. Applications that have the potential to create up to 100% leverage project financing must be based on the appraised market value of the property.

14. The participating bank shall provide to the EDC quarterly reports.
15. The Committee will review annually the information from the participating banks about the Microenterprise Loan Fund loans.
16. It may be necessary for the Committee to review periodically and modify its policy for loans in response to changing money market conditions, portfolio structure and local market conditions.

Interest Rate and Repayment Terms

The interest rate will be fixed and shall be at a rate no less than 3%. The interest rate will be computed as simple interest and will be fixed for the term of the loan. All loans will be structured to fully amortize over the term of the loan. Borrowers will be required to set up automatic payments from their bank account for the monthly loan payments under this program.

Application Content

Borrower shall provide a completed Application form as provided by the EDC, which shall include the following items:

1. A business plan, including:
 - a. History of the business
 - b. Market analysis and strategy
 - c. Products
 - d. Manufacturing process; and
 - e. Financials (including those designated below)
2. Business organization documents, including Articles of Incorporation, Bylaws and Certificate of Incorporation.
3. Certificate of Good Standing (obtained for corporations from Secretary of State) or Certificate of Assumed Name, if applicable.
4. Federal tax returns filed by the business for the past 3 years (unless in business less than 3 years).
5. Income statements and balance sheets from the past 3 years plus current within 90 days (unless in business less than 3 years).
6. Current debt schedule as outlined in the Application form.
7. Current detailed accounts receivable and accounts payable listing including an aging.
8. Income and cash flow projections for the next 2 years. [The projection must show a positive cash flow after one year.]
9. A detailed expense budget for the project showing how the requested funds would be spent and during what time periods. The budget should make clear how the major elements of expense were estimated. Applicant(s) should specify when the loan is desired and in what amount.
10. Personal credit report for each principal owner.
11. Statement of source of equity for the project, and how it will be obtained and appraised.
12. Commitment letter regarding any financing the applicant's lending institution will provide for the project.
13. Signed personal financial statements dated as of the date of application for principal owner(s) with 20% ownership or more.



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

OPPORTUNITY ZONE PROSPECTUS

Prepared by the Kandiyohi County and City of Willmar Economic Development Commission



TABLE OF CONTENTS

Fast Facts	2-3
Opportunity Zone Map.....	4
Location Overview	5
Industries.....	6-7
Growth	8
Willmar Investment Map	9
Workforce.....	10
Education	11
Transportation/Distribution	12
Capital Investment	13
Inclusion Strategy	14-15
Incentives	16
Property Taxes.....	17
References	18-19
Biographies	20-21
What are Opportunity Zones?	22-25



INCREASE

Willmar's population is up 9% since 2000.



INNOVATIVE

regional investments in the fields of animal vaccine, metal fabrication, food processing, and value-added agriculture.



MINNWEST TECHNOLOGY CAMPUS

business community currently accommodating over 30 agribusiness, bioscience and other innovative companies who are global leaders.



GROWTH

Kandiyohi County's labor force has risen by 5.4% from 2010 to 2018.



INCLUSION STRATEGIES

by community leaders maintain a goal of equitable and diverse growth for all segments of the community.



VIBRANT

arts community and rich cultural diversity featuring distinctive events and over 80 ethnic businesses.



COMMUNITY-BUILT

19,000 square foot, fully-accessible Destination Playground is one of the many recreational opportunities for families.



WIDESPREAD

access to 200Mbps download speeds gives innovative companies the needed bandwidth to succeed.



SIGNIFICANTLY

lower cost of living than other areas of Minnesota with annual property taxes between \$800-\$1,499.



AMBITIOUS

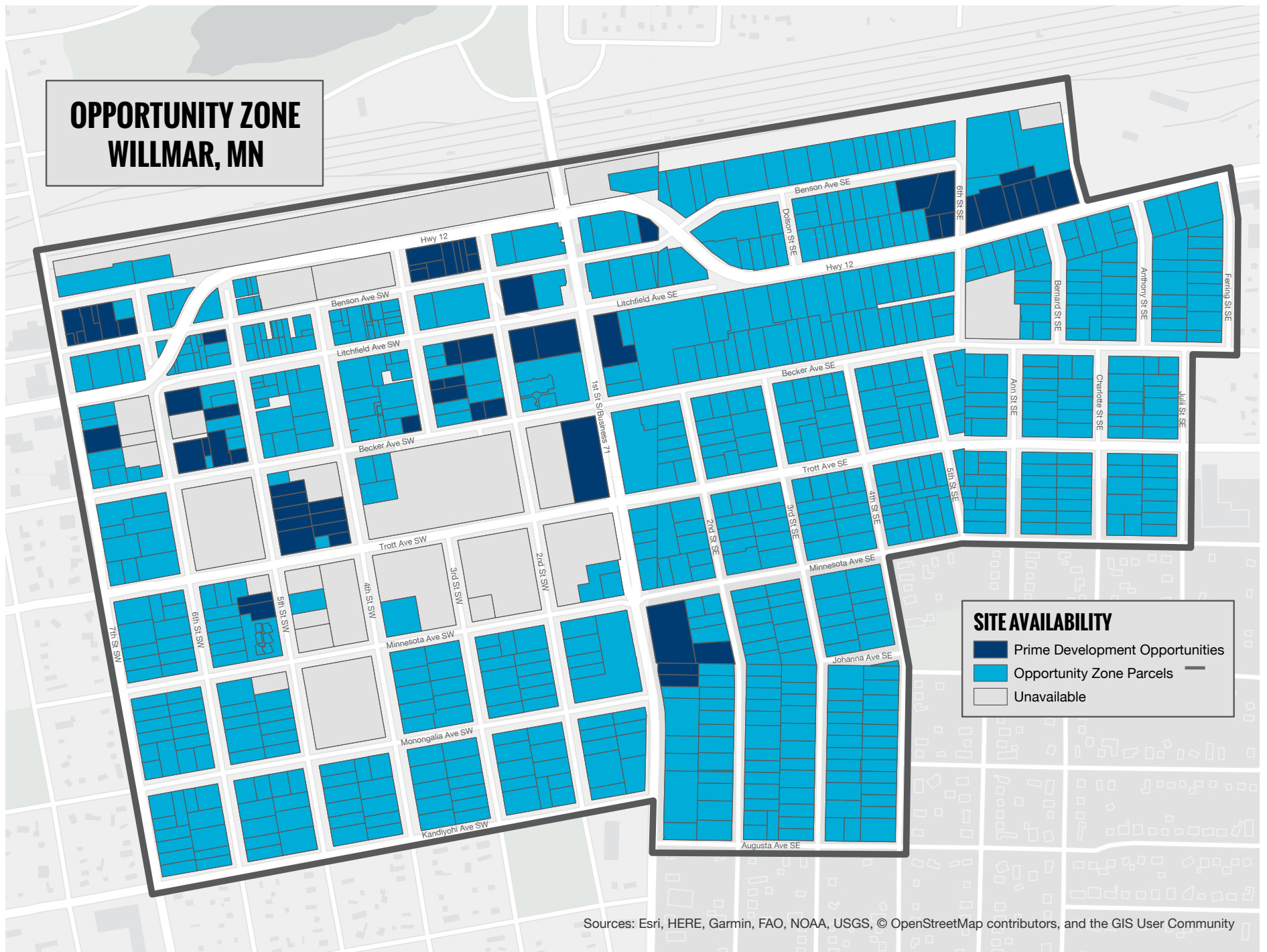
economic development leaders collaborating with community leaders to offer the best possible opportunity zone investments.



"The way this community [Willmar] has embraced its growing workforce, its immigrant workforce, and is navigating those challenges is really a model for the rest of the state."

**Steve Grove, DEED Commissioner
& former Google Executive**

OPPORTUNITY ZONE WILLMAR, MN

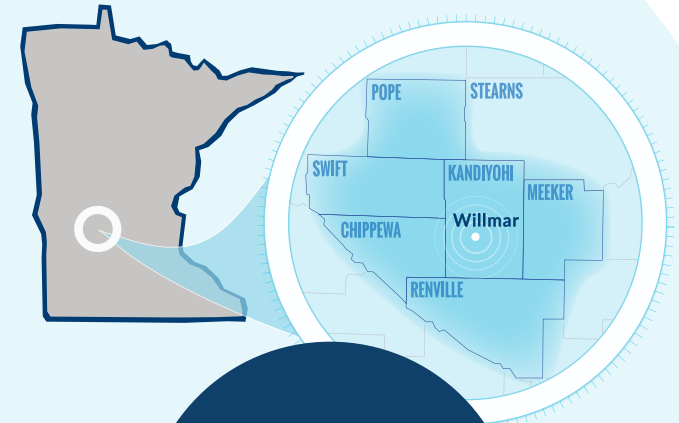


LOCATION OVERVIEW

Willmar's diverse economy and population provide new and existing businesses the right socio-economic environment for growth and success. Located 90 miles west of Minneapolis/St. Paul, this county seat with 20,000+ residents, offers the key transportation routes needed for today's businesses.

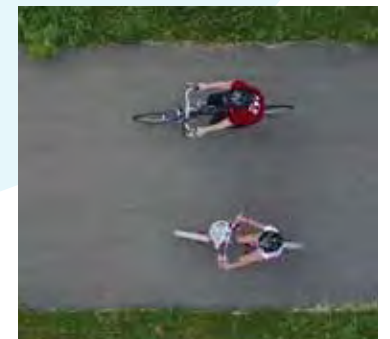
Originally established on a railroad town in 1869, Willmar is surrounded by productive farmlands and scenic lakes. This vibrant community supports robust medical, technology, service and value-added sectors.

Willmar, the largest city in Kandiyohi County, is a regional center for advanced manufacturing, agricultural biosciences, healthcare, and retail service and hospitality. These industries generate employment opportunities and livable wages for thousands of families in the surrounding communities.



FAST FACT

Nearly 12,000 employees commute to Willmar for work on a daily basis.



INDUSTRIES



FAST FACT

Private investment
in the MinnWest
Technology Campus now
exceeds \$17 million.

ADVANCED MANUFACTURING

The Willmar area hosts emerging regional technologies in the fields of food manufacturing, robotics, and advanced agriculture. Companies like Select Genetics, Nova-Tech Engineering, DI Labs, Epitopix, and RELCO have access to a thriving, highly-skilled workforce provided by Ridgewater College and the University of Minnesota's Mid-Central Research and Outreach Center (MCROC). Cooperation with educational programs and Ridgewater College allow business leaders to help prepare the future workforce.

AGRICULTURE

Willmar is a prime location for agribusiness, bioscience, and technology businesses and is home to industry leaders. Jennie-O, the nation's largest turkey processing company, and RELCO, the world's third-largest dairy equipment manufacturer, are located in Willmar's Industrial Park. Epitopix, an affiliate of the Netherlands' company, Vaxxinova, is a veterinary biologics research, development, and manufacturing company located in Willmar. Nova-Tech Engineering, situated on the MinnWest Technology Campus, manufactures and leases poultry-treating equipment used globally.



MEDICAL

As a regional medical center, Kandiyohi County has state-of-the-art facilities and hundreds of medical providers who provide outstanding care. At every stage of your life, Kandiyohi County has healthcare options for almost every circumstance. There are over 5,000 healthcare jobs in Kandiyohi County, making it the region's top industry and that number continues to grow.



GROWTH

Healthcare and social assistance are the largest and fastest growing industries and may account for up to 40 percent of the projected growth. Construction, professional services, technical services and agriculture represent areas of expected further growth.

During 2019 several notable construction projects were underway or completed, including, the Ziegler Cat sales and service center (a \$15 million project), 15th Street Flats multi-family housing project (a \$9.3 million project), the Child & Adolescent Behavioral Health Services (an \$8.7 million project), and Unique Opportunities' multi-family housing project (a \$4.8 million project). Notably, in 2019, Policom ranked Willmar as the top Micropolitan community in Minnesota and #66 in the country.

The projected growth continues to build the confidence in business owners and community leaders who support expansion. Willmar's Opportunity Zone is an ideal location for investors wishing to tap into the city's future.

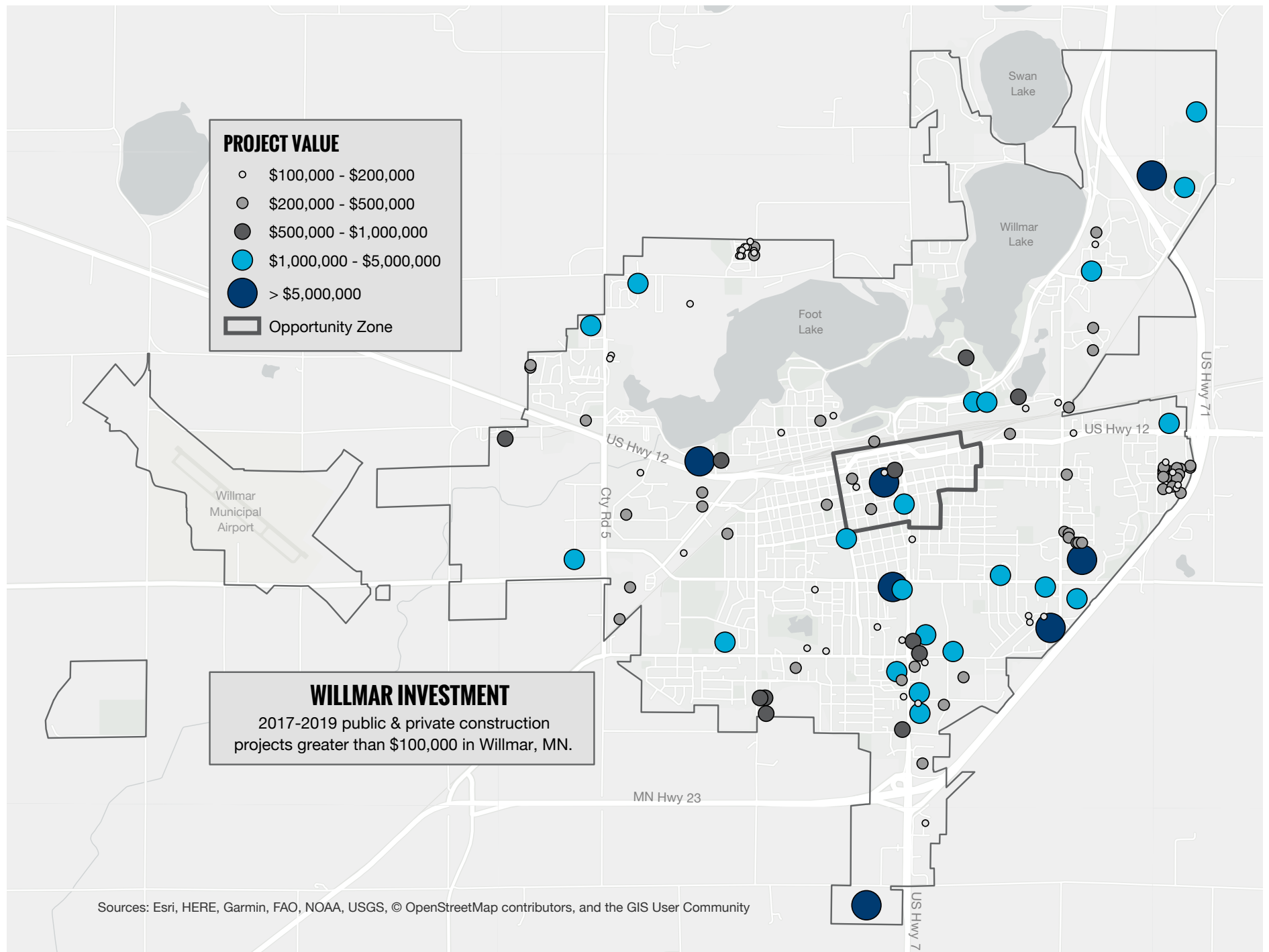
FAST FACT

From 2016 to 2019, there has been \$190 million in commercial, industrial, institutional, and residential construction in Willmar.



"The Willmar Lakes Area is full of people deeply invested in our communities. They dream big dreams, step up to lead and roll up their sleeves to make things happen not only from a business mindset, but from a quality of life perspective."

Sara Carlson, Executive Director • Willmar Area Community Foundation



WORKFORCE

Willmar is the regional center for West Central Minnesota and extends employment opportunities into the six contiguous counties of Chippewa, Meeker, Pope, Renville, Swift and Kandiyohi. Of the 103,000 residents, over 65,000 are employed earning an average household income of \$51,859. Almost 90% of the residents have a high school or higher level of education with 18% holding a bachelor's degree or higher.

Willmar continues to see steady increases in the number of workers aged 20 to 44 years and gains in workers over 65 years of age. The 25 to 54-year-old age group is the largest contributor to Willmar's labor force, accounting for 58 percent of the total. Latino and East African working populations increasingly contribute to Willmar's workforce. As with many areas of the U.S., access to a steady or growing workforce is critical to future area economic development.

"The way this community has embraced its growing workforce, its immigrant workforce, and is navigating those challenges is really a model for the rest of the state," Steve Grove, MN DEED Commissioner, said in an interview following an hour-long question-and-answer exchange with about 30 business and community leaders at the MinnWest Technology Campus.

FAST FACT

From 2010 to 2018 Kandiyohi County's labor force grew three times as fast as its overall population growth



EDUCATION

Ridgewater College, with campuses in Willmar and Hutchinson, boasts of several highly ranked programs: Ridgewater's Computer-Aided Drafting (CAD) Associate Degree is ranked #2 in the U.S. Its Nondestructive Testing (NDT) Program in the Hutchinson campus is ranked in the top 18 programs in the U.S. Its Nursing Program is ranked 5th in Minnesota. Ridgewater's Dairy Management Program is Minnesota's only two-year dairy program. Moreover, the college's Customized Training and Continuing Education Department serves nearly 10,000 individuals a year.

With an average yearly enrollment of 4,500 students and rated #1 among Minnesota Community Colleges, Ridgewater College is an essential asset for the Willmar community and employers.¹

¹Niche.com



“Ridgewater College has set a priority goal to eliminate the achievement gaps in our student population, aimed at ensuring that all members of our community achieve their full potential for career and life success.”

**Dr. Craig Johnson, President •
Ridgewater College**





TRANSPORTATION/DISTRIBUTION

Willmar's comprehensive transportation network has an abundance of modalities to keep goods and services moving through Kandiyohi County.

As a regional trade center for West Central Minnesota, one of the key elements in the city's plans is enhanced freight connectivity for industrial development. The \$48 million Willmar Rail Wye Project provides access, the opportunity to expand businesses, and create jobs. With this rail spur, the Willmar Industrial Park will be served by all three major freight modes - air, rail, and trucking.

FAST FACT

Each day 17,000 vehicles travel through the Opportunity Zone on 1st Street/Business 71 alone.

The Willmar Industrial Park to the west of the Opportunity Zone is stimulated by The Burlington Northern Santa Fe Class I Railroad. Minnesota's most active railway connections travel through Willmar providing superior access for our companies.

Highway Business 71 goes through the Willmar Opportunity Zone and connects with two major highways, US Highway 12 and MN Highway 23.

The Willmar Municipal Airport sufficiently accommodates business jets and cargo planes with the paved 5,500-foot runway. This airport offers precision instrument approach, non-precision instrument approach, and aircraft storage. Business travelers and owners have access to a full-service, fixed-base operator (FBO) without the congestion of a metro airport.

CAPITAL INVESTMENT

Kandiyohi County has experienced sustained growth over the past six years with investments occurring in medical, manufacturing, institutional, retail, and housing.

Private investment in the MinnWest Technology Campus now exceeds \$17 million since 2006.

Highway 23 Coalition successfully lobbied for \$105 million in Corridors of Commerce funding to expand two-lane gaps to four lanes extending north from Willmar.

From 2016-2018, approximately \$63 million has been invested in housing in Kandiyohi County (including Willmar) creating over 300 multi-family and single-family housing units, and over 150 housing units are underway in 2020.

In the last two years, education investments include a newly constructed \$27 million Lakeland Elementary school in Willmar and a \$25 million Performing Arts Center/Gymnasium addition in the New London-Spicer School District.

Implementation of the Rural Child Care Innovation Program has a total of 210 new spaces in two new childcare centers that are under construction.

FAST FACT

Public and private investment in Willmar's Central Business District exceeded \$21 million over the last six years.





INCLUSION STRATEGY

The City of Willmar is working towards equitable and inclusive growth for all segments of the community. Our inclusion process is evidenced by the successful participation of large Latino and East African populations that continue to grow the business community of Willmar and the surrounding area.

The 2017 Diverse BRE Survey identified 31 East African businesses, 27 Latino businesses and at least 8 Asian businesses in Willmar. Almost half of the Latino businesses have been operating for more than 10 years, and a fifth of the Latino businesses have been started within the last two years. Businesses created by the Somali population are more recent with one third in operation for over 10 years and one third starting in the last two years.

Successful Opportunity Zone (OZ) development will increase economic growth, security and mobility for all Willmar residents and reduce racial wealth gaps. Developers, builders, and investors will have equal access to opportunities in the zone. The Opportunity Zone drives investments that foster mixed-income housing, affordability, and security for families most at risk of displacement, including low-income households and households with new Americans. Investments are expected to drive equitable growth and prosperity for current low-income residents and communities of new Americans within the zone.

Community groups and leaders continue to intentionally pursue equity throughout all facets of life in the Willmar area.

FAST FACT

Kandiyohi County leaders understand the benefits of social and economic diversity and maintain a goal of equitable and inclusive growth for all segments of the community.

“A healthy Willmar is an equitable and inclusive community where everyone is empowered, valued and treated with dignity.”

Willmar Human Rights Commission



INCENTIVES

Kandiyohi County & City of Willmar Economic Development Commission (EDC) provides technical and financial assistance to businesses (both direct loans and loan guarantees). The EDC can develop and submit funding applications to the Minnesota Department of Employment & Economic Development (DEED) on behalf of companies.

Southwest Initiative Foundation (SWIF) provides business loans in West Central and Southwest Minnesota communities. SWIF can finance up to \$300,000 for equipment, inventory, working capital and real estate.

West Central Angel Fund is Willmar-based and focuses on early to mid-stage investments in high-tech and growth companies. 28 investors have committed \$1.5 million to the fund.

Business & Industry (B & I) Loan Guarantees through USDA. This program is only available in rural areas with populations under 50,000. The maximum loan guarantee is 80% for up to \$5 million.

The EDC can also collaborate with the City of Willmar's Planning & Development Services Department on Tax Increment Financing (TIF) and Tax Abatement financial assistance for projects in the Willmar Opportunity Zone.

FAST FACT

City officials pursuing additional layers of incentives to be added to the OZ capital gains tax incentives.

FAST FACT

Development-friendly city issuing around \$50 million in construction permits annually



PROPERTY TAXES

This chart shows that households in Willmar, MN distributed according to applicable tax rates compared to the national averages. Willmar households pay taxes in the \$800-\$1,499 range (Census Bureau).

County Rate	59.15
City of Willmar Rate	38.076
Willmar School District Rate	24.05
Countywide HRA Rate	1.091
Countywide EDC and MMDC Rate	1.147
Total for Willmar Residents	123.514

County rates the same for all cities but the city and school amounts vary.

FAST FACT

The overall index cost of living is almost 32% lower in Willmar than in the Minneapolis, Minnesota metropolitan area. Minneapolis area housing costs are 68% higher and transportation costs more than 82% higher than in Willmar.



REFERENCES

PAGE NOTE

SOURCE

2	Willmar's population is up 9% since 2000	In 2000, the U.S. Census listed Willmar's population as 18,351. In 2010, the U.S. Census listed Willmar's population as 19,610, an increase of 6.97%. In June 2018, Susan Brower, MN State Demographer, indicated Willmar's population was 20,008 or a 9.0% increase.
2	Kandiyohi County's labor force has risen by 5.4% from 2010 to 2018	Luke Greiner, Regional Analyst, MN DEED, May 2019, in Kandiyohi County Profile Report, Table II.
3	Arts community and rich cultural diversity featuring distinctive events and over 80 ethnic businesses	Aaron Backman, Executive Director, Kandiyohi Co. & City of Willmar EDC, Business Retention & Expansion (BRE) Program for Diverse Businesses in the Willmar Area (July 2017 and more recent data)
3	Lower cost of living than the Twin Cities and other metropolitan areas of Minnesota with average annual property taxes ranging between \$800-\$1,499	Mark Thompson, Kandiyohi County Auditor/Treasurer; Sperling's Best Places, 2019 Cost of Living Calculator
5	Nearly 12,000 employees commute to Willmar for work on a daily basis	Luke Greiner, Regional Analyst, MN DEED, June 2018, the data from State of Minnesota is from 2015
6	Private investment in the MinnWest Technology Campus now exceeds \$17 million	Joanna Schrupp, General Manager, MinnWest Technology Campus, September 2019.
8	From 2016 to 2019, there has been \$190 million in commercial, industrial, institutional and residential construction in Willmar	Bruce Peterson and Dave Ramstad, Planning & Development Services, City of Willmar.
10	From 2010 to 2019 Kandiyohi County's labor force grew three times as fast as its overall population growth	Luke Greiner, Regional Analyst, MN DEED, May 2019.
12	Each day 17,000 vehicles travel through the Opportunity Zone on 1st Street/Business 71 alone	Willmar Traffic Volume Map, 2016, Minnesota Department of Transportation.

- | | | |
|----|---|---|
| 13 | Public and private investment in Willmar's Central Business District exceeded \$21 million over the last six years | Sarah Swedburg, City Planner, City of Willmar, Willmar Downtown Main Street Economic Development Report (2018). |
| 15 | Kandiyohi County leaders understand the benefits of social and economic diversity and maintain a goal of equitable and inclusive growth for all segments of the community | City of Willmar Council and Human Rights Commission |
| 16 | City officials pursuing additional layers of incentives to be added to the OZ capital gains tax incentives | Dave Ramstad, Planning & Development Services, City of Willmar. |
| 16 | Development-friendly city issuing over \$50 million construction permits annually | Dave Ramstad, Planning & Development Services, City of Willmar. |
| 17 | The overall index cost of living is almost 32% lower in Wilmar than in the Minneapolis, Minnesota metropolitan area. Minneapolis area housing costs are 68% higher and transportation costs more than 82% higher than in Willmar. | Sperling's Best Places, 2019 Cost of Living Calculator |



BIOGRAPHIES

Aaron Backman

Executive Director

Aaron Backman, Executive Director, has been active in economic development management at the local level for 26 years. Since February of 2016 he has been the Executive Director of the Kandiyohi County & City of Willmar Economic Development Commission (EDC) in West Central Minnesota. In that capacity Aaron has been instrumental in getting approvals for a variety of projects in the Willmar Lakes Area, including:



- \$525,000 in TIF financing for 15th Street Flats, a new \$9.3 million multi-family affordable housing project in Willmar offering 47 units utilizing a 9.0% tax credit program from Minnesota Housing;
- \$983,000 in tax abatement financing for Little Crow Resort, a new \$7.8 million complex that includes a 51-room GrandStay Hotel, 300-seat event center, 75-seat restaurant and clubhouse;
- \$1,527,000 in TIF financing for Bethesda North Pointe, a new \$17.5 million senior lifestyle housing development under construction in New London encompassing 75 units of independent living, assisted living, and memory care.

As the Executive Director of the Windom Economic Development Authority (EDA), Aaron was responsible for promoting, facilitating, and coordinating economic development activities for the City of Windom in Southwest Minnesota. He facilitated the development and expansion of the North Windom Industrial Park, a new 80-acre subdivision. He raised over \$1.4 million in state infrastructure grants for the project.

Connie Schmoll

Business Development Manager

As the Business Development Manager for the Kandiyohi County and City of Willmar Economic Development Commission, Connie Schmoll identifies development needs and opportunities in Kandiyohi County emphasizing advancing agribusiness, bio-business, value-added agriculture and renewable resource development as economic drivers in the future success of Kandiyohi County.

In five years, she has facilitated several committees, including the Business Retention and Expansion/Recruitment Committee, Agriculture and Renewable Energy Development Committee, and the Broadband and Advanced Technology Committee. She has conducted studies of local business needs and agriculture production, agri-business and agriculture/bioscience industries retention issues and expansion plans.

In 2017, Connie was instrumental in establishing the West Central Angel Fund that has 28 local members and makes investments in early to mid-stage private companies that demonstrate the potential for sustainable, profitable, growth-capable operations while providing a suitable return for investors.

Connie has over 20 years of experience in fund development and grant writing. She wrote a successful proposal for Transportation Economic Development (TED) Grant funds to enhance a rural road for a large dairy operation. She has recently prepared and submitted a \$1.3 million grant proposal to the State of Minnesota for Innovative Business Development Public Infrastructure funds to assist the City of Willmar and a local business in expansion efforts, including an extension of city utilities.

Connie gained her fundraising and grant writing skills in a prior position as Executive Director of a non-profit organization. She led the organization in a \$1.5 million capital campaign and building project that served as a shelter for women and children.

Connie is a graduate of St. Catherine's University in St. Paul, Minnesota.



WHAT ARE OPPORTUNITY ZONES AND HOW DO THEY WORK?

In 2017, opportunity zones were added to the tax code by the Tax Cuts and Jobs Act. This federal legislation recognized distressed neighborhoods with high-poverty as places needing investment. Willmar, MN received an opportunity zone designation for Census Tract: 27067780800 located in the City of Willmar.

Willmar's Opportunity Zone is an economic development tool designed to attract investment and job creation.

WHAT IS AN OPPORTUNITY ZONE?

An opportunity zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as opportunity zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.



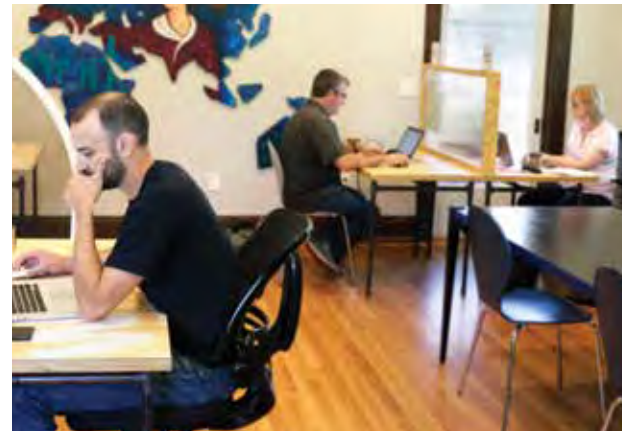
HOW DOES THE WILLMAR OPPORTUNITY ZONE WORK?

Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.

- A poverty rate of at least 20%; or
- A median family income of:

No more than 80% of the statewide median family income for census tracts within non-metropolitan areas.

No more than 80% of the greater statewide median family income or the overall metropolitan median family income for census tracts within metropolitan areas.



Up to 25% of the census tracts of each jurisdiction that met these criteria could be nominated. An additional 5% of each jurisdiction could qualify if they met a different set of income and geographic qualifications:

- A census tract that's contiguous with a low-income Opportunity Zone; and
- A median family income of no more 125% of the median family income of the adjacent Qualified Opportunity Zone.

DO I NEED TO LIVE IN WILLMAR?

No. You can get the tax benefits, even if you don't live, work or have a business in an opportunity zone. All you need to do is invest a recognized gain in a Qualified Opportunity Fund and elect to defer the tax on that gain.

WHAT IS A QUALIFIED OPPORTUNITY ZONE FUND (QOF)?

A Qualified Opportunity Fund is an investment vehicle that files either a partnership or corporate federal income tax return and is organized for the purpose of investing in Qualified Opportunity Zone property. It is the intent of the EDC to pursue the creation of a local/regional QOZ Fund that would have local and outside investors.



HOW CAN WILLMAR TAKE ADVANTAGE OF THE OPPORTUNITY ZONE?

Opportunity Zones and Opportunity Funds were created to stimulate private investment in exchange for capital gain tax incentives. This program is intended to stimulate the investment of the estimated \$6.1 trillion of unrealized private gains held by U.S. taxpayers.

This program is less restrictive than other tax credit programs, such as New Markets Tax Credits (NMTC) and Low-Income Housing Tax Credit (LIHTC) Program. Opportunity Zones don't operate through a tax credit program. Instead, Opportunity Zone designation and investment are governed through two Internal Revenue Code sections. This removes any limitation on the number of Opportunity Funds that can exist, making them more the product of an entirely new IRS rule that changes the tax treatment of capital gains than the subject of a more traditionally structured tax credit program.

There is no cap on the amount of capital that can be invested into qualified Opportunity Zones, and hence no arbitrary limit on the extent to which Opportunity Zones and Opportunity Funds may help reshape downtrodden communities.

Most importantly, the Opportunity Zone program allows local investors, at any level, to participate in investment in Willmar and to participate in the economic growth of the community.

For more information contact Aaron Backman, Executive Director aaron@kandiyohi.com or Connie Schmoll, Business Development Manager connie@kandiyohi.com. Or call, 320-255-7370 toll-free 866-665-4556.





222 20th Street SE
P.O. Box 1783
Willmar, Minnesota 56201
320-235-7370 **phone**
866-665-4556 **toll-free**
320-231-2320 **fax**
www.kandiyohi.com

Prospectus Prepared in Partnership With:



United Somali Community of Willmar Census 2020 Fundraiser

We're writing on behalf of the United Somali Community of Willmar to inquire about funding possibilities for a project that will enable an accurate count of Somalis and East Africans in the 2020 Census. We are working with the Willmar 2020 Census Count committee to create resources that will educate and encourage local Somali/East-African residents to participate in the census. This effort is necessary because cultural experience and language limit knowledge of the census. We fear that these problems will result in an inaccurate count of Somali/East Africans.

Willmar is a community of approximately 20,000. We believe about 15% of the community is Somali/East African, and the percentage is gradually increasing. This percentage of Somali/East Africans has been steadily increasing since 2000. Several community-wide efforts are underway to better integrate East Africans into the community. Having an accurate count is important to motivate and expand those integration efforts.

The initial motivation for the project, however, is the fact that Somali/East Africans are at a disadvantage regarding the 2020 Census because the Census Bureau has not seen fit to prepare any written/educational resources in the Somali language. Resources exist for many other immigrant populations but not for Somali/East Africans. The goal of our project is to overcome this disadvantage.

Our purpose in this letter is to ask if this is a kind of project that should be considered funding. If it is, or even if it is not, we will appreciate notice from you. If it is a project that you might consider funding, we will need instructions from you and timelines. In addition to the project summary, here is proposed budget:

Census 2020 Budget

Project Funding Sources	
Vision 2040	\$2,500.00
Willmar Community Foundation	\$2,500.00
Complete County Committee	\$1,000.00
EDC	\$5,000.00
Other Foundations/Sources TBD	\$11,250.00
United Somali Community of Willmar	\$10,800.00
Midtown Plaza In-Kind	\$4,328.00
Total:	\$37,378.00

Project Expenses	
4 Census Educators – 12 weeks 30hrs/week 12 X 30 = 360hrs X 4 X \$15 per hr	\$21,600.00
2 In Kind Census Educators –	\$10,800.00
Census Marketing Materials	\$500.00
Supplies and Material:	\$150.00
Heat & Electricity expenses for 3 months	\$428.00
Office Rent for 3 months	\$900.00
Conference Room Large gathering: 10 times for 3 months	\$3,000.00
Miscellaneous:	\$00.00
Total:	\$37,378.00



2020 COMMITTEES AND MEMBERS

Agriculture and Renewable Energy Development

Rollie Boll*	Christy Kallevig	Kim Larson	Keith Poier
Ian Graue	Larry Konsterlie	Dan Lippert	Dan Tepfer
Kevin Halvorson	Dustin Kotrba	Michelle Marotzke	

Ag Marketing and Event Planning Subcommittee

Dan Tepfer	Dustin Kotrba	Jean Geselius
------------	---------------	---------------

Ag Industrial Hemp Exploratory Subcommittee

Laura Arne	Larry Konsterlie	Keith Poier	Janette Wertish
Kevin Halvorson	Kim Larson	Harold Stegeman	Jordan Zeller
Nate Hultgren	Bob Meyerson		

Broadband and Advanced Technology

Mark Boesch	Bruce DeBlieck	Les Nelson	Gregg Price
Donna Boonstra*	Roger Imdieke**	Rollie Nissen**	Ramsey Schaffnit
Dean Bouta	Michelle Marotzke	Glenn Otteson	David Sisser

Business Retention and Expansion/Recruitment

Sam Bowen	Jim Ellingson	Roger Imdieke**	Ranae Rahn
Samantha Crow	Les Heitke*	Les Nelson	Dean Steinwand
Eric Day			Kelly TerWisscha*

Finance

Matt Behm	Travis Jones	Jeff Welker
Nick Dalton	Les Nelson	Randy Zinda
Kerry Johnson*	Justin Schnichels	

Marketing and Public Relations

Donna Boonstra*	Jesse Gislason*	Emily Lien	Joanna Schrupp
Shari Courtney	Melissa Knott	Pam Rosenau	Brittany VanDerBill

*indicates EDC Joint Operations Board member

** indicates EDC Joint Powers Board member

Broadband Market Survey

For the Townships of

Dovre, Mamre, and Saint Johns

Performed by:
Compass Consultants, Inc.



Supported by:

Dovre Township

Mamre Township

Saint Johns Township

Kandiyohi County

Kandiyohi County and City of Willmar
Economic Development Commission



Market Survey

Project Description

The Kandiyohi County & City of Willmar Economic Development Commission (EDC) hired Compass Consultants to conduct a market survey of Dovre, Mamre, and Saint Johns townships focusing on broadband availability. The primary objective of the survey is to identify current broadband availability and satisfaction. This report examines the potential need for additional broadband infrastructure and market demand.

Methodology

Compass Consultants in conjunction with the EDC Broadband Committee developed a thirteen question mailer. The addresses were obtained from GIS records of “Addresses” provided by the Kandiyohi County Surveyor’s office cross-referenced with customer data from the local power cooperative. The mailers were sent to 1139 addresses on November 21, 2019. The opportunity was also provided for residents to complete the survey online by typing in the provided URL or scanning a QR code. In total 356 completed surveys were returned to Compass.

The data presented in the tables throughout the report is shown for four geographical areas: “TOTAL” – all three townships in their entirety, “DOVRE TOWNSHIP” – respondents within Dovre township, “MAMRE TOWNSHIP” – respondents within Mamre township, “SAINT JOHNS TOWNSHIP” – respondents within Saint Johns township. Each table goes on to present the data for four categories: “TOTAL” – all structures within the township, “UNSERVED” – structure is within a census block with service levels below 25/3, “UNDERSERVED” – structure is within a census block with service levels above 25/3 but less than 100/20, and “SERVED” – structure is within a census block with service levels of at least 100/20.

The completed surveys came in from the following areas:

- Total
 - 85 Unserved
 - 47 Underserved
 - 224 Served
- Dovre Township
 - 20 Unserved
 - 23 Underserved
 - 209 Served
- Mamre Township
 - 39 Unserved
 - 20 Underserved
- Saint Johns Township
 - 26 Unserved
 - 4 Underserved
 - 15 Served

Residential Market Survey Results

1. What type(s) of telephone services do you currently have?

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Landline	51	63%	23	50%	92	43%	166	48%
Cellular	72	89%	43	93%	202	94%	317	92%
VOIP	2	2%	1	2%	6	3%	9	3%
None	0	0%	0	0%	1	0%	1	0%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Landline	13	72%	7	30%	87	43%	107	44%
Cellular	12	67%	21	91%	189	94%	222	92%
VOIP	0	0%	1	4%	6	3%	7	3%
None	0	0%	0	0%	1	0%	1	0%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Landline	27	71%	14	74%	0	N/A	41	72%
Cellular	37	97%	18	95%	0	N/A	55	96%
VOIP	0	0%	0	0%	0	N/A	0	0%
None	0	0%	0	0%	0	N/A	0	0%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Landline	11	44%	2	50%	5	33%	18	41%
Cellular	23	92%	4	100%	13	87%	40	91%
VOIP	2	8%	0	0%	0	0%	2	5%
None	0	0%	0	0%	0	0%	0	0%

The majority of respondents (92%) indicated that they have cellular telephone service while less than half (48%) subscribe to a landline phone service.

2. Who are your internet, telephone, and television service providers?

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
CenturyLink	11	14%	11	24%	47	22%	69	20%
TDS Telecom	31	38%	21	46%	10	5%	62	18%
LTD Broadband	6	7%	1	2%	5	2%	12	3%
Charter Communications	0	0%	0	0%	132	61%	132	38%
MVTV	29	36%	12	26%	13	6%	54	16%
HughesNet	3	4%	3	7%	3	1%	9	3%
ViaSat	1	1%	0	0%	0	0%	1	0%
Skycasters	0	0%	0	0%	0	0%	0	0%
AT&T	13	16%	7	15%	28	13%	48	14%
Verizon	38	47%	29	63%	108	50%	175	51%
Sprint	1	1%	2	4%	7	3%	10	3%
T-Mobile	0	0%	3	7%	3	1%	6	2%
DirecTV	10	12%	10	22%	20	9%	40	12%
Dish Network	28	35%	13	28%	21	10%	62	18%
Other	12	15%	2	4%	20	9%	34	10%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
CenturyLink	10	56%	8	35%	47	23%	65	27%
TDS Telecom	1	6%	9	39%	5	2%	15	6%
LTD Broadband	2	11%	1	4%	5	2%	8	3%
Charter Communications	0	0%	0	0%	121	60%	121	50%
MVTV	3	17%	2	9%	12	6%	17	7%
HughesNet	0	0%	1	4%	3	1%	4	2%
ViaSat	0	0%	0	0%	0	0%	0	0%
Skycasters	0	0%	0	0%	0	0%	0	0%
AT&T	5	28%	5	22%	26	13%	36	15%
Verizon	4	22%	15	65%	103	51%	122	50%
Sprint	0	0%	1	4%	6	3%	7	3%
T-Mobile	0	0%	2	9%	3	1%	5	2%
DirecTV	3	17%	6	26%	20	10%	29	12%
Dish Network	5	28%	9	39%	20	10%	34	14%
Other	0	0%	0	0%	19	9%	19	8%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
CenturyLink	0	0%	1	5%	0	N/A	1	2%
TDS Telecom	24	63%	12	63%	0	N/A	36	63%
LTD Broadband	3	8%	0	0%	0	N/A	3	5%
Charter Communications	0	0%	0	0%	0	N/A	0	0%
MVTV	11	29%	8	42%	0	N/A	19	33%
HughesNet	1	3%	1	5%	0	N/A	2	4%
ViaSat	1	3%	0	0%	0	N/A	1	2%
Skycasters	0	0%	0	0%	0	N/A	0	0%
AT&T	4	11%	1	5%	0	N/A	5	9%
Verizon	22	58%	12	63%	0	N/A	34	60%
Sprint	0	0%	0	0%	0	N/A	0	0%
T-Mobile	0	0%	1	5%	0	N/A	1	2%
DirecTV	5	13%	2	11%	0	N/A	7	12%
Dish Network	14	37%	4	21%	0	N/A	18	32%
Other	8	21%	2	11%	0	N/A	10	18%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
CenturyLink	1	4%	2	50%	0	0%	3	7%
TDS Telecom	6	24%	0	0%	5	33%	11	25%
LTD Broadband	1	4%	0	0%	0	0%	1	2%
Charter Communications	0	0%	0	0%	11	73%	11	25%
MVTV	15	60%	2	50%	1	7%	18	41%
HughesNet	2	8%	1	25%	0	0%	3	7%
ViaSat	0	0%	0	0%	0	0%	0	0%
Skycasters	0	0%	0	0%	0	0%	0	0%
AT&T	4	16%	1	25%	2	13%	7	16%
Verizon	12	48%	2	50%	5	33%	19	43%
Sprint	1	4%	1	25%	1	7%	3	7%
T-Mobile	0	0%	0	0%	0	0%	0	0%
DirecTV	2	8%	2	50%	0	0%	4	9%
Dish Network	9	36%	0	0%	1	7%	10	23%
Other	4	16%	0	0%	1	7%	5	11%

The most prevalent wireline companies listed by respondents from all three townships are CenturyLink, Charter Communications, and TDS Telecom. Charter Communications was only listed by respondents within served census blocks of Dovre and Saint Johns townships. MVTV is a player in the wireless residential service arena. However, wireless connections are not as reliable as a wireline service. The quality of service connection is presented in further detail in response to question 6.

3. Please select which television content providers you currently use.

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Satellite	45	56%	25	54%	51	24%	121	35%
Cable TV Provider	0	0%	3	7%	94	44%	97	28%
Internet (Netflix, Sling, Hulu)	33	41%	23	50%	90	42%	146	43%
Antenna	26	32%	12	26%	40	19%	78	23%
None	1	1%	0	0%	3	1%	4	1%
Other	6	7%	2	4%	10	5%	18	5%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Satellite	12	67%	12	52%	50	25%	74	31%
Cable TV Provider	0	0%	2	9%	86	43%	88	36%
Internet (Netflix, Sling, Hulu)	5	28%	10	43%	86	43%	101	42%
Antenna	2	11%	7	30%	36	18%	45	19%
None	0	0%	0	0%	3	1%	3	1%
Other	2	11%	1	4%	9	4%	12	5%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Satellite	20	53%	10	53%	0	N/A	30	53%
Cable TV Provider	0	0%	0	0%	0	N/A	0	0%
Internet (Netflix, Sling, Hulu)	14	37%	10	53%	0	N/A	24	42%
Antenna	16	42%	4	21%	0	N/A	20	35%
None	1	3%	0	0%	0	N/A	1	2%
Other	3	8%	1	5%	0	N/A	4	7%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Satellite	13	52%	3	75%	1	7%	17	39%
Cable TV Provider	0	0%	1	25%	8	53%	9	20%
Internet (Netflix, Sling, Hulu)	14	56%	3	75%	4	27%	21	48%
Antenna	8	32%	1	25%	4	27%	13	30%
None	0	0%	0	0%	0	0%	0	0%
Other	1	4%	0	0%	1	7%	2	5%

When considering all three townships in their entirety, the most popular forms of video service are Internet Streaming Services followed by Satellite services and Cable TV. However, when served areas are removed Cable TV is not a major player. Satellite, Streaming Services, and Antenna service dominate the unserved and underserved areas.

4. What is the speed of your current internet or broadband service?

Respondents were asked to run a speed test and report their download and upload speeds. Actual speeds reported do not necessarily reflect the currently available speeds. 242 respondents reported their current download and upload speeds. The speeds are reported both as the averages reported and as defined by FCC and State of Minnesota goals. Those goals are:

- 25 megabits per second download and 3 megabits per second upload minimum
- 100 megabits per second download and 20 megabits per second upload minimum

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Average Download Speed	9.33		14.09		49.06		34.48	
Average Upload Speed	3.30		4.01		7.97		6.28	
Less than 25/3	56	97%	32	91%	69	46%	157	65%
25/3 to 100/20	2	3%	3	9%	77	52%	82	34%
100/20 or greater	0	0%	0	0%	3	2%	3	1%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Average Download Speed	8.81		17.00		49.20		42.78	
Average Upload Speed	2.87		2.58		7.98		7.03	
Less than 25/3	12	92%	16	89%	66	47%	94	55%
25/3 to 100/20	1	8%	2	11%	73	52%	76	44%
100/20 or greater	0	0%	0	0%	2	1%	2	1%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Average Download Speed	7.87		8.59		N/A		8.11	
Average Upload Speed	3.03		5.50		N/A		3.85	
Less than 25/3	28	100%	13	93%	0	N/A	41	98%
25/3 to 100/20	0	0%	1	7%	0	N/A	1	2%
100/20 or greater	0	0%	0	0%	0	N/A	0	0%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Average Download Speed	12.13		22.28		46.54		23.05	
Average Upload Speed	4.06		5.70		7.80		5.31	
Less than 25/3	16	94%	3	100%	3	38%	22	79%
25/3 to 100/20	1	6%	0	0%	4	50%	5	18%
100/20 or greater	0	0%	0	0%	1	13%	1	4%

Only two respondents reported minimum speeds greater than 25/3 in an unserved area, and no respondent in an underserved area reported a speed greater than 100/20. Greater speeds may be available to these areas but the data appears to indicate that the service levels indicated by census block maps are accurate. Furthermore, the average download and upload speeds for unserved and underserved areas in all three townships is below the 25/3 minimum broadband threshold.

5. *How satisfied are you with your current internet service speed?*

- Scale of 1 to 10 with 1 being “Not Satisfied” and 10 being “Very Satisfied”.

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	16	20%	6	13%	14	6%	36	10%
2	3	4%	2	4%	8	4%	13	4%
3	8	10%	5	11%	17	8%	30	9%
4	5	6%	3	7%	14	6%	22	6%
5	11	14%	3	7%	23	11%	37	11%
6	11	14%	5	11%	23	11%	39	11%
7	6	7%	5	11%	22	10%	33	10%
8	3	4%	5	11%	37	17%	45	13%
9	7	9%	3	7%	25	12%	35	10%
10	2	2%	6	13%	24	11%	32	9%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	7	39%	3	13%	13	6%	23	10%
2	0	0%	0	0%	7	3%	7	3%
3	1	6%	4	17%	17	8%	22	9%
4	0	0%	2	9%	13	6%	15	6%
5	2	11%	1	4%	19	9%	22	9%
6	4	22%	2	9%	21	10%	27	11%
7	1	6%	3	13%	21	10%	25	10%
8	1	6%	1	4%	33	16%	35	14%
9	0	0%	1	4%	24	12%	25	10%
10	0	0%	4	17%	24	12%	28	12%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	7	18%	2	11%	0	N/A	9	16%
2	0	0%	2	11%	0	N/A	2	4%
3	4	11%	1	5%	0	N/A	5	9%
4	5	13%	1	5%	0	N/A	6	11%
5	4	11%	2	11%	0	N/A	6	11%
6	5	13%	2	11%	0	N/A	7	12%
7	3	8%	2	11%	0	N/A	5	9%
8	1	3%	4	21%	0	N/A	5	9%
9	4	11%	0	0%	0	N/A	4	7%
10	1	3%	2	11%	0	N/A	3	5%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	2	8%	1	25%	1	7%	4	9%
2	3	12%	0	0%	1	7%	4	9%
3	3	12%	0	0%	0	0%	3	7%
4	0	0%	0	0%	1	7%	1	2%
5	5	20%	0	0%	4	27%	9	20%
6	2	8%	1	25%	2	13%	5	11%
7	2	8%	0	0%	1	7%	3	7%
8	1	4%	0	0%	4	27%	5	11%
9	3	12%	2	50%	1	7%	6	14%
10	1	4%	0	0%	0	0%	1	2%

The overall average for all respondents was 5.8. If all respondents from a served area are removed that number drops to 5.0. This suggests that overall the residents of the townships are at best indifferent about their current internet speeds.

6. *How satisfied are you with the quality of your current internet service connection?*

- Scale of 1 to 10 with 1 being “Not Satisfied” and 10 being “Very Satisfied”.

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	10	12%	4	9%	10	5%	24	7%
2	4	5%	2	4%	9	4%	15	4%
3	4	5%	3	7%	12	6%	19	6%
4	7	9%	1	2%	13	6%	21	6%
5	13	16%	6	13%	24	11%	43	13%
6	9	11%	4	9%	20	9%	33	10%
7	10	12%	7	15%	30	14%	47	14%
8	7	9%	8	17%	33	15%	48	14%
9	7	9%	2	4%	31	14%	40	12%
10	1	1%	6	13%	27	13%	34	10%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	5	28%	1	4%	9	4%	15	6%
2	1	6%	1	4%	8	4%	10	4%
3	0	0%	1	4%	11	5%	12	5%
4	0	0%	1	4%	11	5%	12	5%
5	3	17%	4	17%	22	11%	29	12%
6	3	17%	2	9%	17	8%	22	9%
7	2	11%	4	17%	30	15%	36	15%
8	1	6%	2	9%	29	14%	32	13%
9	0	0%	1	4%	30	15%	31	13%
10	0	0%	4	17%	27	13%	31	13%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	4	11%	2	11%	0	N/A	6	11%
2	0	0%	1	5%	0	N/A	1	2%
3	2	5%	2	11%	0	N/A	4	7%
4	7	18%	0	0%	0	N/A	7	12%
5	4	11%	2	11%	0	N/A	6	11%
6	6	16%	1	5%	0	N/A	7	12%
7	3	8%	3	16%	0	N/A	6	11%
8	4	11%	5	26%	0	N/A	9	16%
9	5	13%	0	0%	0	N/A	5	9%
10	0	0%	2	11%	0	N/A	2	4%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	1	4%	1	25%	1	7%	3	7%
2	3	12%	0	0%	1	7%	4	9%
3	2	8%	0	0%	1	7%	3	7%
4	0	0%	0	0%	2	13%	2	5%
5	6	24%	0	0%	2	13%	8	18%
6	0	0%	1	25%	3	20%	4	9%
7	5	20%	0	0%	0	0%	5	11%
8	2	8%	1	25%	4	27%	7	16%
9	2	8%	1	25%	1	7%	4	9%
10	1	4%	0	0%	0	0%	1	2%

The overall average for all respondents was 6.2. If all respondents from a served area are removed that number drops to 5.6. This suggests that overall the residents of the township are slightly positive about their current internet connection. The level of satisfaction with wireless service provided by MVTv was surprisingly higher than the average at 6.3. MVTv's listed residential offerings, however, are only available up to 25Mbps.

7. *How satisfied are you with your internet provider's customer service?*

- Scale of 1 to 10 with 1 being "Not Satisfied" and 10 being "Very Satisfied".

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	9	11%	3	7%	14	6%	26	8%
2	4	5%	1	2%	11	5%	16	5%
3	4	5%	2	4%	12	6%	18	5%
4	3	4%	1	2%	14	6%	18	5%
5	4	5%	6	13%	28	13%	38	11%
6	7	9%	5	11%	24	11%	36	10%
7	8	10%	6	13%	22	10%	36	10%
8	19	23%	8	17%	30	14%	57	17%
9	10	12%	3	7%	30	14%	43	13%
10	4	5%	7	15%	21	10%	32	9%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	5	28%	2	9%	12	6%	19	8%
2	2	11%	1	4%	11	5%	14	6%
3	1	6%	0	0%	9	4%	10	4%
4	0	0%	1	4%	14	7%	15	6%
5	1	6%	3	13%	27	13%	31	13%
6	2	11%	4	17%	20	10%	26	11%
7	0	0%	4	17%	21	10%	25	10%
8	2	11%	2	9%	27	13%	31	13%
9	2	11%	0	0%	29	14%	31	13%
10	0	0%	4	17%	21	10%	25	10%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	3	8%	1	5%	0	N/A	4	7%
2	1	3%	0	0%	0	N/A	1	2%
3	3	8%	2	11%	0	N/A	5	9%
4	2	5%	0	0%	0	N/A	2	4%
5	2	5%	3	16%	0	N/A	5	9%
6	3	8%	1	5%	0	N/A	4	7%
7	3	8%	2	11%	0	N/A	5	9%
8	10	26%	5	26%	0	N/A	15	26%
9	5	13%	2	11%	0	N/A	7	12%
10	3	8%	2	11%	0	N/A	5	9%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	1	4%	0	0%	2	13%	3	7%
2	1	4%	0	0%	0	0%	1	2%
3	0	0%	0	0%	3	20%	3	7%
4	1	4%	0	0%	0	0%	1	2%
5	1	4%	0	0%	1	7%	2	5%
6	2	8%	0	0%	4	27%	6	14%
7	5	20%	0	0%	1	7%	6	14%
8	7	28%	1	25%	3	20%	11	25%
9	3	12%	1	25%	1	7%	5	11%
10	1	4%	1	25%	0	0%	2	5%

The overall average for all respondents was 6.2. If all respondents from a served area are removed that number increases to 6.3.

8. How many devices in your home are connected to the internet? (Computers, phones, tablets, cameras, TV's, Thermostats, Alexa)

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
None	0	0%	0	0%	0	0%	0	0%
1-2	15	19%	3	7%	15	7%	33	10%
3-5	19	23%	14	30%	77	36%	110	32%
5-9	27	33%	19	41%	78	36%	124	36%
10+	12	15%	8	17%	34	16%	54	16%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
None	0	0%	0	0%	0	0%	0	0%
1-2	3	17%	0	0%	15	7%	18	7%
3-5	5	28%	9	39%	69	34%	83	34%
5-9	4	22%	7	30%	71	35%	82	34%
10+	2	11%	6	26%	34	17%	42	17%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
None	0	0%	0	0%	0	N/A	0	0%
1-2	9	24%	2	11%	0	N/A	11	19%
3-5	10	26%	5	26%	0	N/A	15	26%
5-9	9	24%	9	47%	0	N/A	18	32%
10+	7	18%	2	11%	0	N/A	9	16%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
None	0	0%	0	0%	0	0%	0	0%
1-2	3	12%	1	25%	0	0%	4	9%
3-5	4	16%	0	0%	8	53%	12	27%
5-9	14	56%	3	75%	7	47%	24	55%
10+	3	12%	0	0%	0	0%	3	7%

The total number of connected devices within a home continues to increase. The data is consistent across all three townships and regardless of service level; most homes have between 3 and 9 connected devices.

9. If High Speed Broadband would be offered in your area, how likely would you be to subscribe to the service?

- Scale of 1 to 10 with 1 being “Not Likely” and 10 being “Very Likely”.

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	5	6%	2	4%	19	9%	26	8%
2	2	2%	2	4%	13	6%	17	5%
3	4	5%	2	4%	6	3%	12	3%
4	1	1%	2	4%	4	2%	7	2%
5	5	6%	3	7%	20	9%	28	8%
6	2	2%	0	0%	14	6%	16	5%
7	3	4%	3	7%	19	9%	25	7%
8	11	14%	6	13%	17	8%	34	10%
9	11	14%	4	9%	36	17%	51	15%
10	33	41%	19	41%	52	24%	104	30%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	1	6%	0	0%	17	8%	18	7%
2	0	0%	1	4%	13	6%	14	6%
3	1	6%	1	4%	4	2%	6	2%
4	1	6%	2	9%	4	2%	7	3%
5	0	0%	1	4%	20	10%	21	9%
6	0	0%	0	0%	14	7%	14	6%
7	0	0%	1	4%	18	9%	19	8%
8	3	17%	2	9%	13	6%	18	7%
9	2	11%	3	13%	33	16%	38	16%
10	8	44%	12	52%	50	25%	70	29%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	4	11%	2	11%	0	N/A	6	11%
2	2	5%	1	5%	0	N/A	3	5%
3	1	3%	1	5%	0	N/A	2	4%
4	0	0%	0	0%	0	N/A	0	0%
5	2	5%	2	11%	0	N/A	4	7%
6	1	3%	0	0%	0	N/A	1	2%
7	2	5%	1	5%	0	N/A	3	5%
8	3	8%	3	16%	0	N/A	6	11%
9	7	18%	1	5%	0	N/A	8	14%
10	16	42%	6	32%	0	N/A	22	39%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
1	0	0%	0	0%	2	13%	2	5%
2	0	0%	0	0%	0	0%	0	0%
3	2	8%	0	0%	2	13%	4	9%
4	0	0%	0	0%	0	0%	0	0%
5	3	12%	0	0%	0	0%	3	7%
6	1	4%	0	0%	0	0%	1	2%
7	1	4%	1	25%	1	7%	3	7%
8	5	20%	1	25%	4	27%	10	23%
9	2	8%	0	0%	3	20%	5	11%
10	9	36%	1	25%	2	13%	12	27%

The overall average for all respondents was 7.2. If all respondents from a served area are removed that number increase to 7.8. This number suggests that 67-75% of residents within the unserved and underserved areas would be open to switching from their current internet provider.

10. What would you be willing to pay per month for a reliable high-speed broadband connection?

This question was posed so that respondents would provide a realistic dollar amount that they would be willing to pay. If a response included a range, the median value was input (i.e. 50-60 was input as \$55).

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
0-50	32	52%	15	44%	78	51%	125	50%
50-75	19	31%	10	29%	49	32%	78	31%
75-100	3	5%	6	18%	12	8%	21	8%
100+	8	13%	2	6%	12	8%	22	9%
Average	\$63.21		\$59.01		\$56.33		\$58.43	

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
0-50	6	46%	9	50%	74	52%	89	51%
50-75	4	31%	4	22%	45	31%	53	30%
75-100	0	0%	4	22%	11	8%	15	9%
100+	3	23%	1	6%	12	8%	16	9%
Average	\$77.50		\$58.33		\$56.31		\$58.12	

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
0-50	15	52%	5	36%	0	N/A	20	47%
50-75	8	28%	6	43%	0	N/A	14	33%
75-100	1	3%	1	7%	0	N/A	2	5%
100+	5	17%	1	7%	0	N/A	6	14%
Average	\$62.03		\$59.23		N/A		\$61.17	

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
0-50	11	55%	1	50%	4	44%	16	52%
50-75	7	35%	0	0%	4	44%	11	35%
75-100	2	10%	1	50%	1	11%	4	13%
100+	0	0%	0	0%	0	0%	0	0%
Average	\$55.63		\$63.75		\$56.67		\$56.45	

The average value that respondents were willing to pay was \$58.43. Removing all responses from served areas gives an average of \$61.75.

11. What activity is most important to your broadband experience?

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Streaming TV and Movies	39	48%	28	61%	124	57%	191	56%
Telehealth/Med	0	0%	0	0%	1	0%	1	0%
Telecommute (Work at Home)	7	9%	2	4%	12	6%	21	6%
Video Calling (Facetime, Skype)	2	2%	2	4%	11	5%	15	4%
Schoolwork	1	1%	0	0%	1	0%	2	1%
Running a business from home	7	9%	5	11%	10	5%	22	6%
Gaming	3	4%	0	0%	2	1%	5	1%
Social Media	3	4%	2	4%	9	4%	14	4%
General Internet Surfing	9	11%	4	9%	33	15%	46	13%
Security System	0	0%	0	0%	0	0%	0	0%
Other	1	1%	0	0%	0	0%	1	0%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Streaming TV and Movies	8	44%	16	70%	111	55%	135	56%
Telehealth/Med	0	0%	0	0%	1	0%	1	0%
Telecommute (Work at Home)	2	11%	1	4%	12	6%	15	6%
Video Calling (Facetime, Skype)	0	0%	0	0%	10	5%	10	4%
Schoolwork	0	0%	0	0%	1	0%	1	0%
Running a business from home	1	6%	1	4%	9	4%	11	5%
Gaming	0	0%	0	0%	2	1%	2	1%
Social Media	1	6%	2	9%	9	4%	12	5%
General Internet Surfing	3	17%	3	13%	33	16%	39	16%
Security System	0	0%	0	0%	0	0%	0	0%
Other	0	0%	0	0%	0	0%	0	0%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Streaming TV and Movies	19	50%	9	47%	0	N/A	28	49%
Telehealth/Med	0	0%	0	0%	0	N/A	0	0%
Telecommute (Work at Home)	2	5%	1	5%	0	N/A	3	5%
Video Calling (Facetime, Skype)	1	3%	2	11%	0	N/A	3	5%
Schoolwork	1	3%	0	0%	0	N/A	1	2%
Running a business from home	3	8%	4	21%	0	N/A	7	12%
Gaming	3	8%	0	0%	0	N/A	3	5%
Social Media	2	5%	0	0%	0	N/A	2	4%
General Internet Surfing	3	8%	1	5%	0	N/A	4	7%
Security System	0	0%	0	0%	0	N/A	0	0%
Other	0	0%	0	0%	0	N/A	0	0%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Streaming TV and Movies	12	48%	3	75%	13	87%	28	64%
Telehealth/Med	0	0%	0	0%	0	0%	0	0%
Telecommute (Work at Home)	3	12%	0	0%	0	0%	3	7%
Video Calling (Facetime, Skype)	1	4%	0	0%	1	7%	2	5%
Schoolwork	0	0%	0	0%	0	0%	0	0%
Running a business from home	3	12%	0	0%	1	7%	4	9%
Gaming	0	0%	0	0%	0	0%	0	0%
Social Media	0	0%	0	0%	0	0%	0	0%
General Internet Surfing	3	12%	0	0%	0	0%	3	7%
Security System	0	0%	0	0%	0	0%	0	0%
Other	1	4%	0	0%	0	0%	1	2%

The majority of all respondents listed “Streaming TV and Movies” as the item most important to their broadband experience. This correlates with the percentage of respondents who get their video from internet streaming services. General internet surfing was the next most frequent response. After this, the telecommuting and running a business from home were popular choices. Both require a reliable high-speed connection and having it available could spur population and economic growth.

12. If you had broadband, would your employer allow you to work from home?

TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Yes, everyday	9	11%	7	15%	20	9%	36	10%
Yes, occasionally	11	14%	16	35%	58	27%	85	25%
No	32	40%	10	22%	54	25%	96	28%
Not Employed	4	5%	0	0%	8	4%	12	3%
Retired	13	16%	9	20%	66	31%	88	26%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Yes, everyday	3	17%	2	9%	20	10%	25	10%
Yes, occasionally	3	17%	10	43%	54	27%	67	28%
No	6	33%	5	22%	50	25%	61	25%
Not Employed	0	0%	0	0%	8	4%	8	3%
Retired	3	17%	5	22%	60	30%	68	28%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Yes, everyday	2	5%	4	21%	0	N/A	6	11%
Yes, occasionally	4	11%	6	32%	0	N/A	10	18%
No	15	39%	5	26%	0	N/A	20	35%
Not Employed	2	5%	0	0%	0	N/A	2	4%
Retired	8	21%	2	11%	0	N/A	10	18%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Yes, everyday	4	16%	1	25%	0	0%	5	11%
Yes, occasionally	4	16%	0	0%	4	27%	8	18%
No	11	44%	0	0%	4	27%	15	34%
Not Employed	2	8%	0	0%	0	0%	2	5%
Retired	2	8%	2	50%	6	40%	10	23%

Telecommuting was the third most popular choice from question 11; *What activity is most important to your broadband experience?*. Thirty-five percent of respondents stated that their employer would allow them to work from home at least occasionally.

13. Please tell us how many people in your household fall into each age group.

This information was summarized by counting the number of households that reported having at least one person in an age group. For example, if a respondent said that there were 2 children under 18 in the home, this was only counted once.

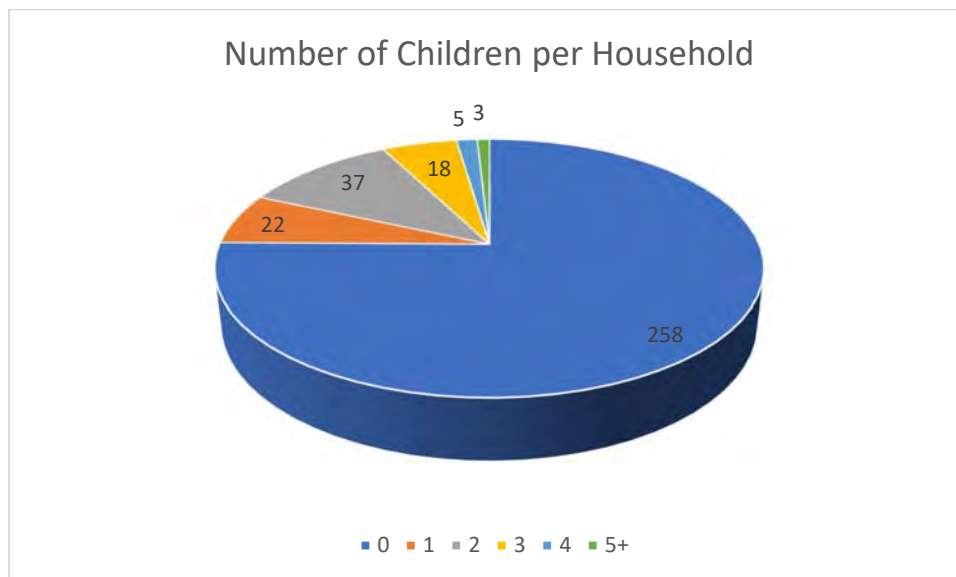
TOTAL								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Under 18	24	30%	12	26%	50	23%	86	25%
18-24	13	16%	8	17%	26	12%	47	14%
25-34	8	10%	6	13%	20	9%	34	10%
35-44	19	23%	10	22%	36	17%	65	19%
45-54	21	26%	15	33%	44	20%	80	23%
55-64	30	37%	15	33%	0	0%	45	13%
65+	27	33%	13	28%	0	0%	40	12%

DOVRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Under 18	5	28%	6	26%	49	24%	60	25%
18-24	2	11%	5	22%	23	11%	30	12%
25-34	3	17%	4	17%	20	10%	27	11%
35-44	2	11%	6	26%	36	18%	44	18%
45-54	5	28%	7	30%	41	20%	53	22%
55-64	4	22%	9	39%	0	0%	13	5%
65+	5	28%	4	17%	0	0%	9	4%

MAMRE TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Under 18	10	26%	6	32%	0	N/A	16	28%
18-24	4	11%	3	16%	0	N/A	7	12%
25-34	4	11%	2	11%	0	N/A	6	11%
35-44	9	24%	4	21%	0	N/A	13	23%
45-54	6	16%	7	37%	0	N/A	13	23%
55-64	18	47%	5	26%	0	N/A	23	40%
65+	14	37%	8	42%	0	N/A	22	39%

SAINT JOHNS TOWNSHIP								
	UNSERVED		UNDERSERVED		SERVED		TOTAL	
Under 18	9	36%	0	0%	1	7%	10	23%
18-24	7	28%	0	0%	3	20%	10	23%
25-34	1	4%	0	0%	0	0%	1	2%
35-44	8	32%	0	0%	0	0%	8	18%
45-54	10	40%	1	25%	3	20%	14	32%
55-64	8	32%	1	25%	0	0%	9	20%
65+	8	32%	1	25%	0	0%	9	20%

One quarter of all respondents reported having at least one child under 18 in the home. The number of children in respondent households is summarized in the following chart.



Broadband Engineering Analysis

For the Townships of

Dovre, Mamre, and Saint Johns

Performed by:
Compass Consultants, Inc.



Supported by:

Dovre Township

Mamre Township

Saint Johns Township

Kandiyohi County

Kandiyohi County and City of Willmar
Economic Development Commission



Scope

The Kandiyohi County and City of Willmar Economic Development Commission contracted with Compass Consultants, Inc. to perform an engineering analysis for the design and costs associated with construction of a fiber to the home broadband network in partnership with Arvig Enterprises. The analysis was limited to the townships of Dovre, Mamre, and Saint Johns.

It is the state of Minnesota's goal that "(1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second; and (2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.". It is with these goals in mind that the analysis was performed. The included designs are representative of three distinct categories: unserved, underserved, and served.

- Unserved – areas where households or businesses lack access to the FCC defined minimum broadband speeds of 25 megabits per second download and 3 megabits per second upload.
- Underserved – areas where households or businesses have access at or above the previously stated FCC definition but lack access to broadband at speeds of 100 megabits per second download and 20 megabits per second upload.
- Served - areas where households or businesses have access to broadband at speeds of 100 megabits per second download and 20 megabits per second upload.

Structures

Base maps were created using Google Earth. GIS address information was obtained from the county surveyor's office and service level information was obtained through the FCC's census block level provider information. Structures defined as residential and business were imported from the county provided shapefiles and overlayed with the FCC census blocks to produce the maps 1 through 3 below. Served areas and the structures within those census blocks were colored green. Unserved areas and the structures within those census blocks were colored pink. Unserved census blocks are not shaded and the structures within the unserved areas were colored blue.

At this point an initial fiber layout was completed and field staff were deployed to confirm structures. Compass field staff noted several addresses that were abandoned or had been demolished as well as newly constructed structures. This field data was incorporated into the base maps, and total structure counts for each township were tabulated. The structure counts are listed in tables 1 through 4.

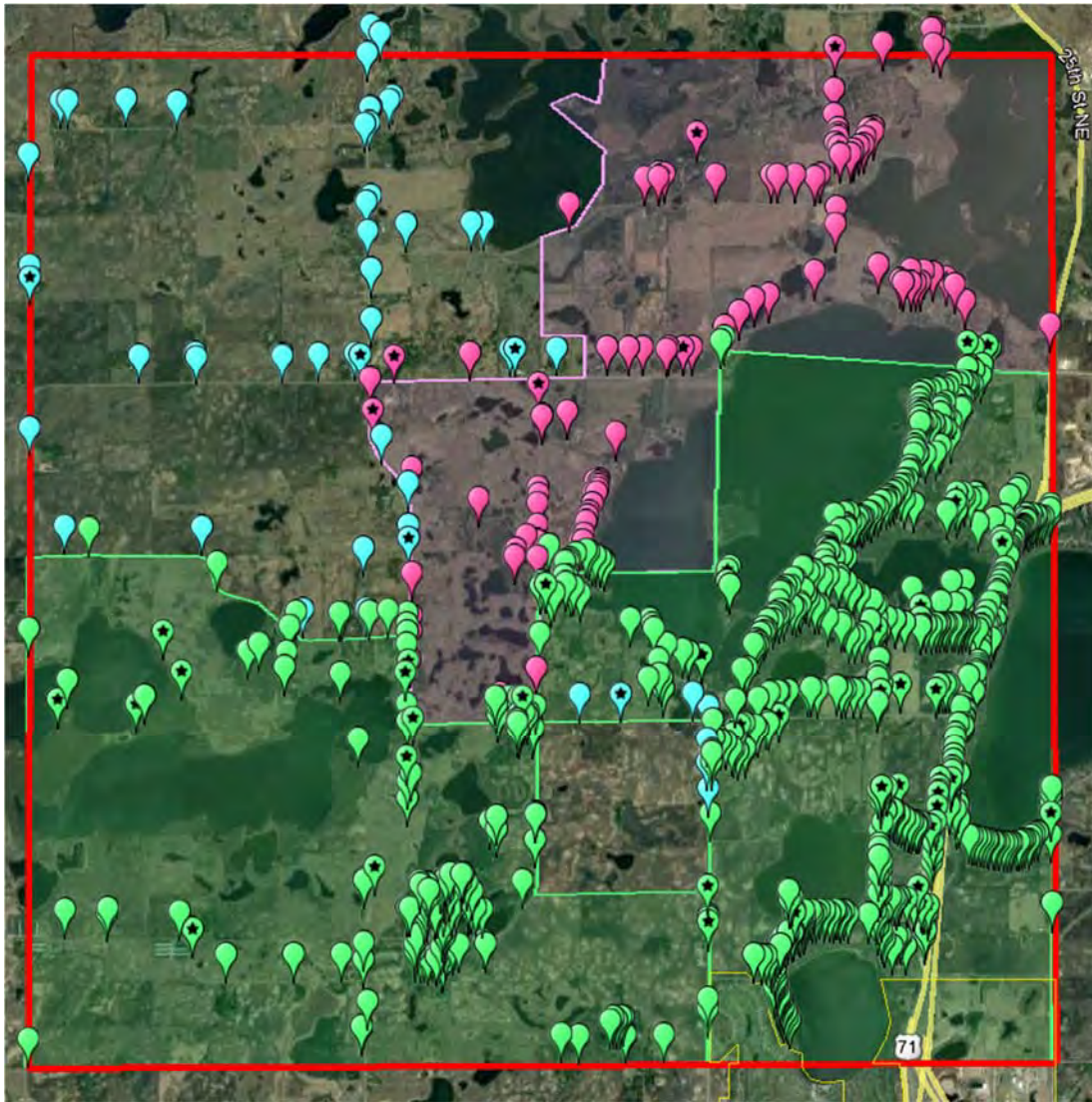


Figure 1: Dovre Township Base Map

Dovre Structures				
	Unserved	Underserved	Served	Total
<i>Residential</i>	41	97	740	878
<i>Business</i>	5	3	42	50
Total	46	100	782	928

Table 1: Dovre Township Structures

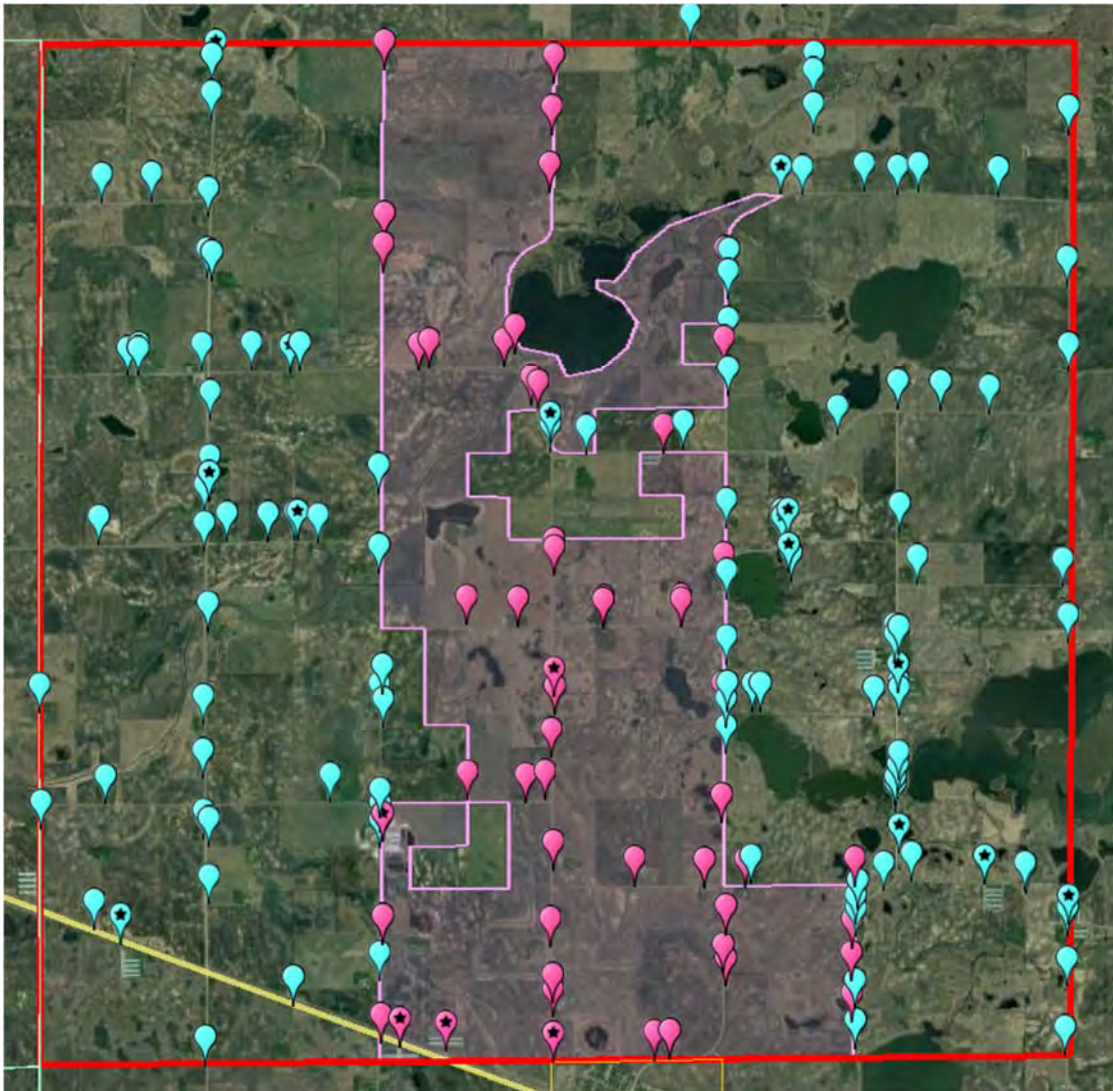


Figure 2: Mamre Township Base Map

Mamre Structures				
	Unserved	Underserved	Served	Total
<i>Residential</i>	97	44	0	141
<i>Business</i>	10	4	0	14
Total	107	48	0	155

Table 2: Mamre Township Structures

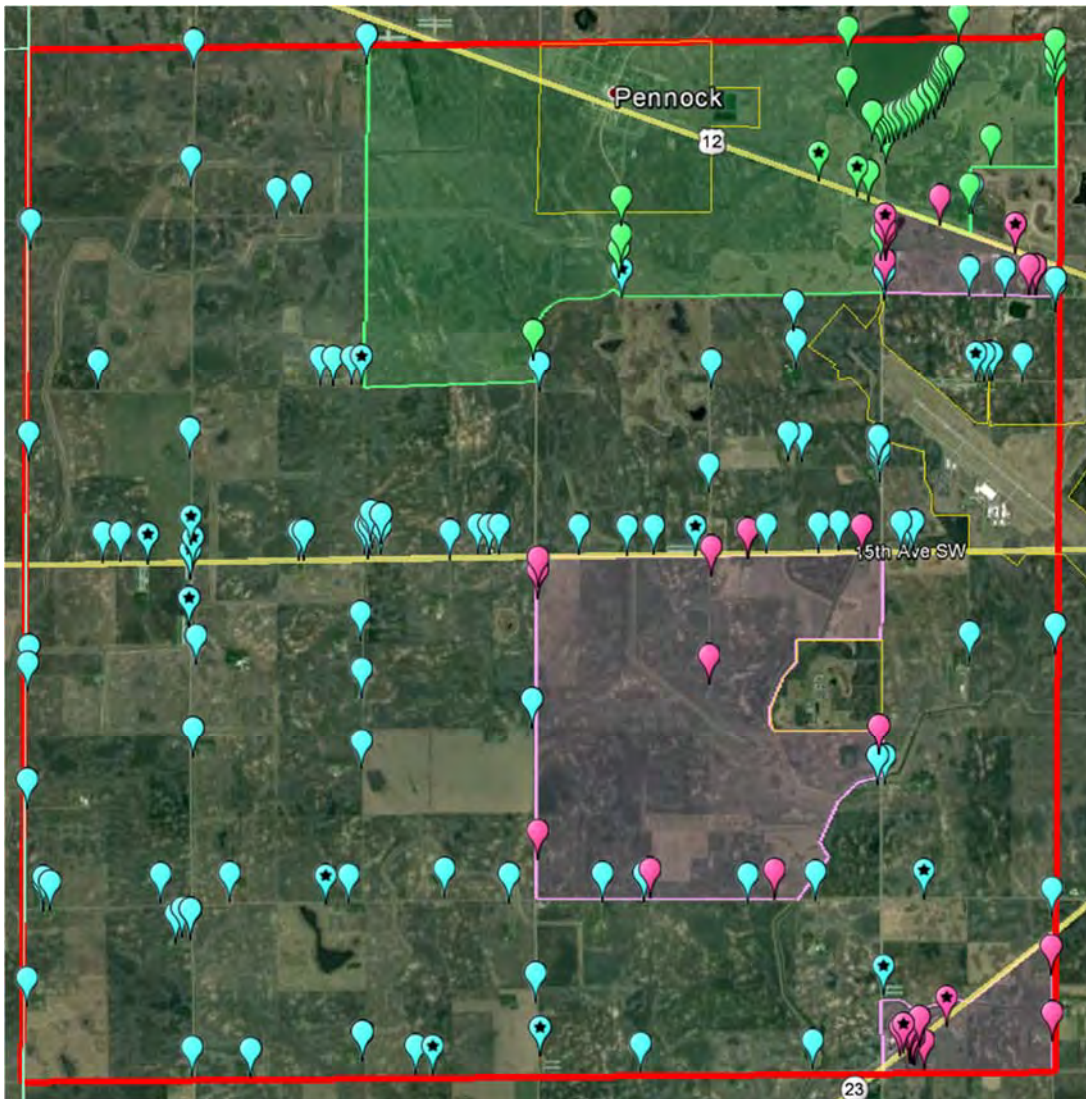


Figure 3: Saint Johns Township Base Map

Saint Johns Structures				
	Unserved	Underserved	Served	Total
<i>Residential</i>	94	27	42	163
<i>Business</i>	11	5	2	18
Total	105	32	44	181

Table 3: Saint Johns Township Structures

Design

Compass completed a high level FTTH design for the unserved and underserved areas of Dovre, Mamre, and Saint Johns townships. This design is sufficient for estimating project costs. However, a more detailed design will be required if the project moves ahead.

The design is for a GPON architecture using Calix access equipment deployed to two PON cabinet locations. The locations selected were: PON A – Pennock, and PON B – Dovre township hall. PON A would be capable of serving both Mamre and Saint Johns townships. PON A would leverage existing Arvig fiber to connect back to Arvig’s location in the city of Willmar. PON B would serve Dovre and small area of Mamre township. PON B would connect to an existing Arvig access point on the north side of Willmar near Swan Lake. PONs A and B also connect to each other to create a ring architecture. This protects against service interruptions in the instance of a cut fiber. The designed fiber routes for the unserved and underserved areas are presented in figures 4 through 6.

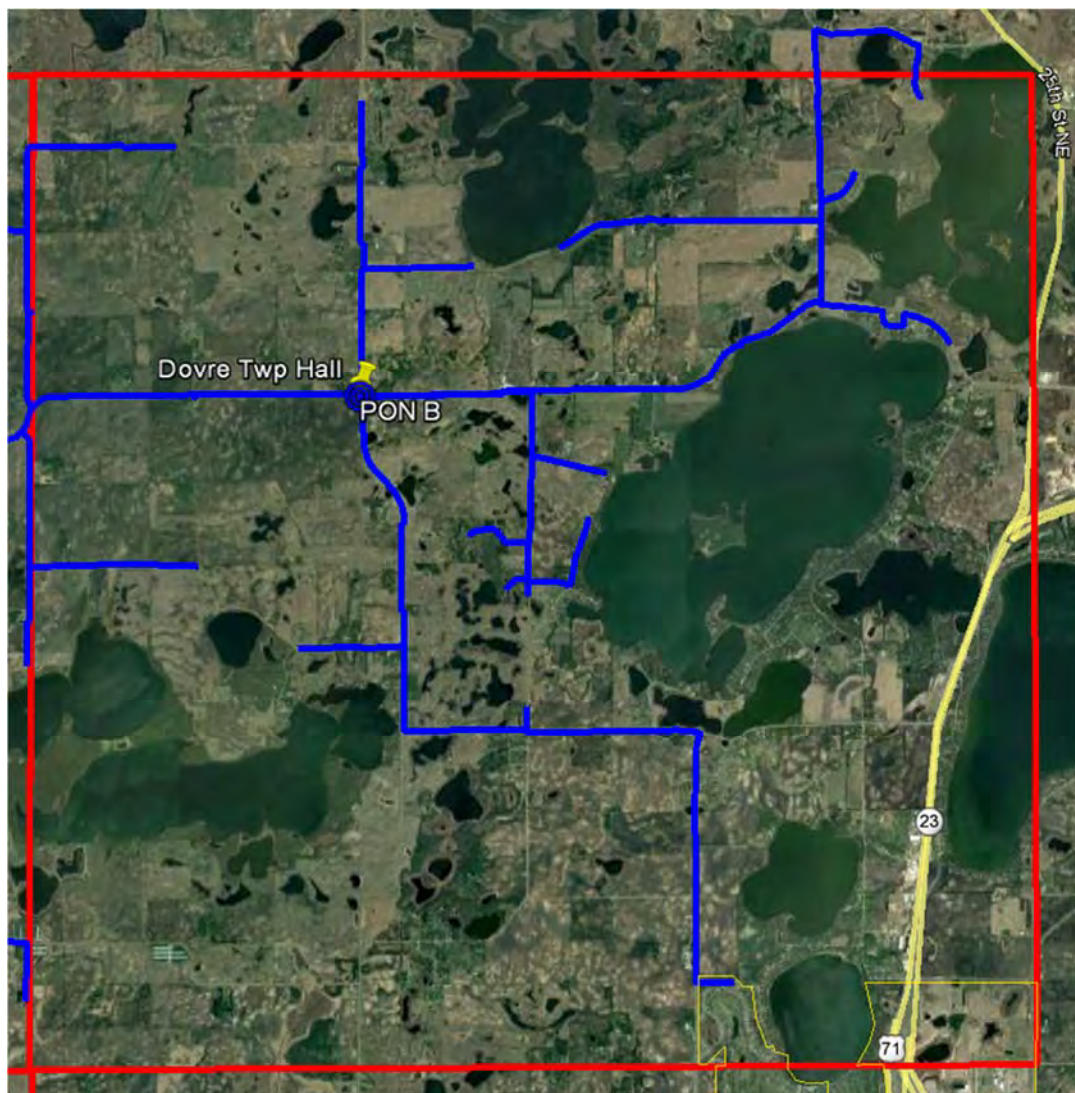


Figure 4: Dovre Township Fiber Design

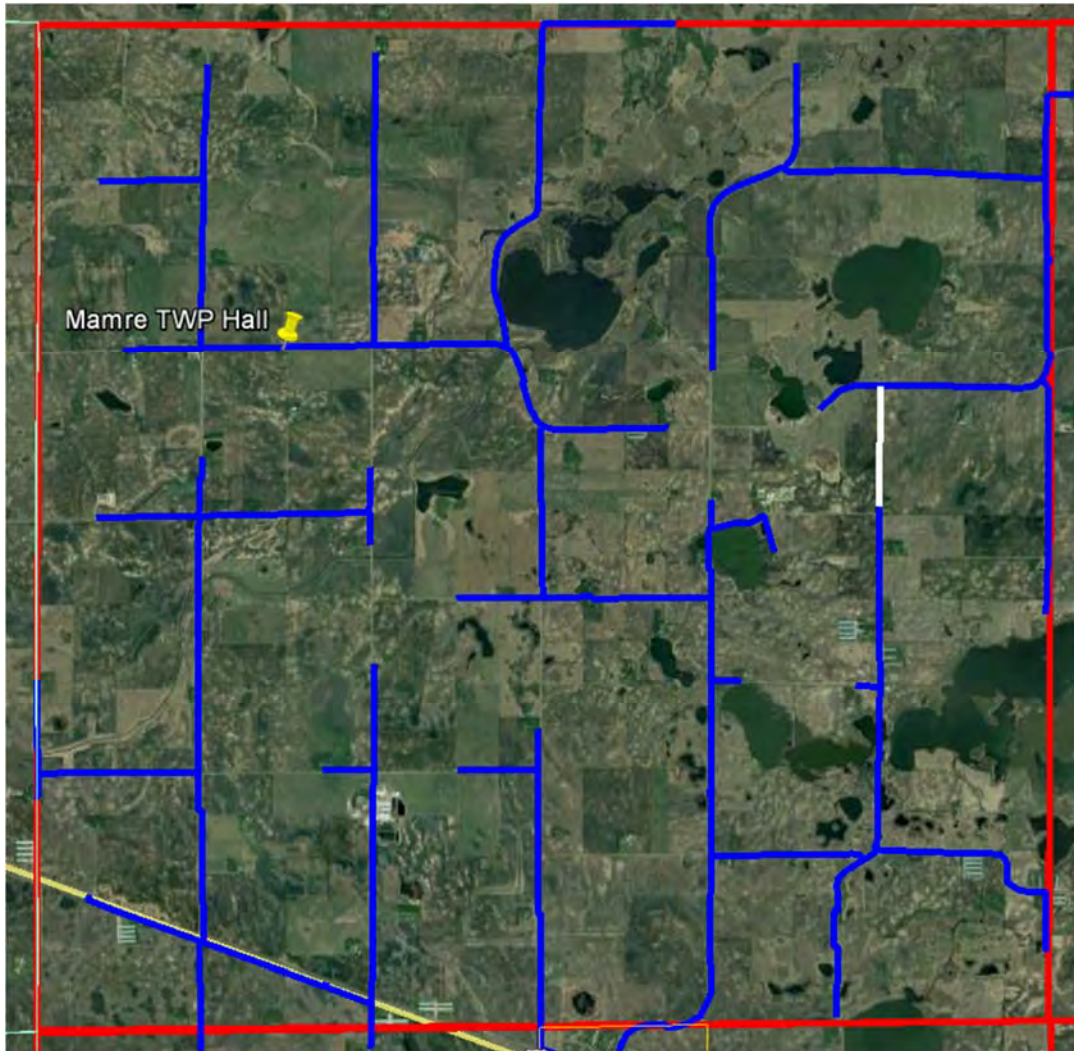


Figure 5: Mamre Township Fiber Design

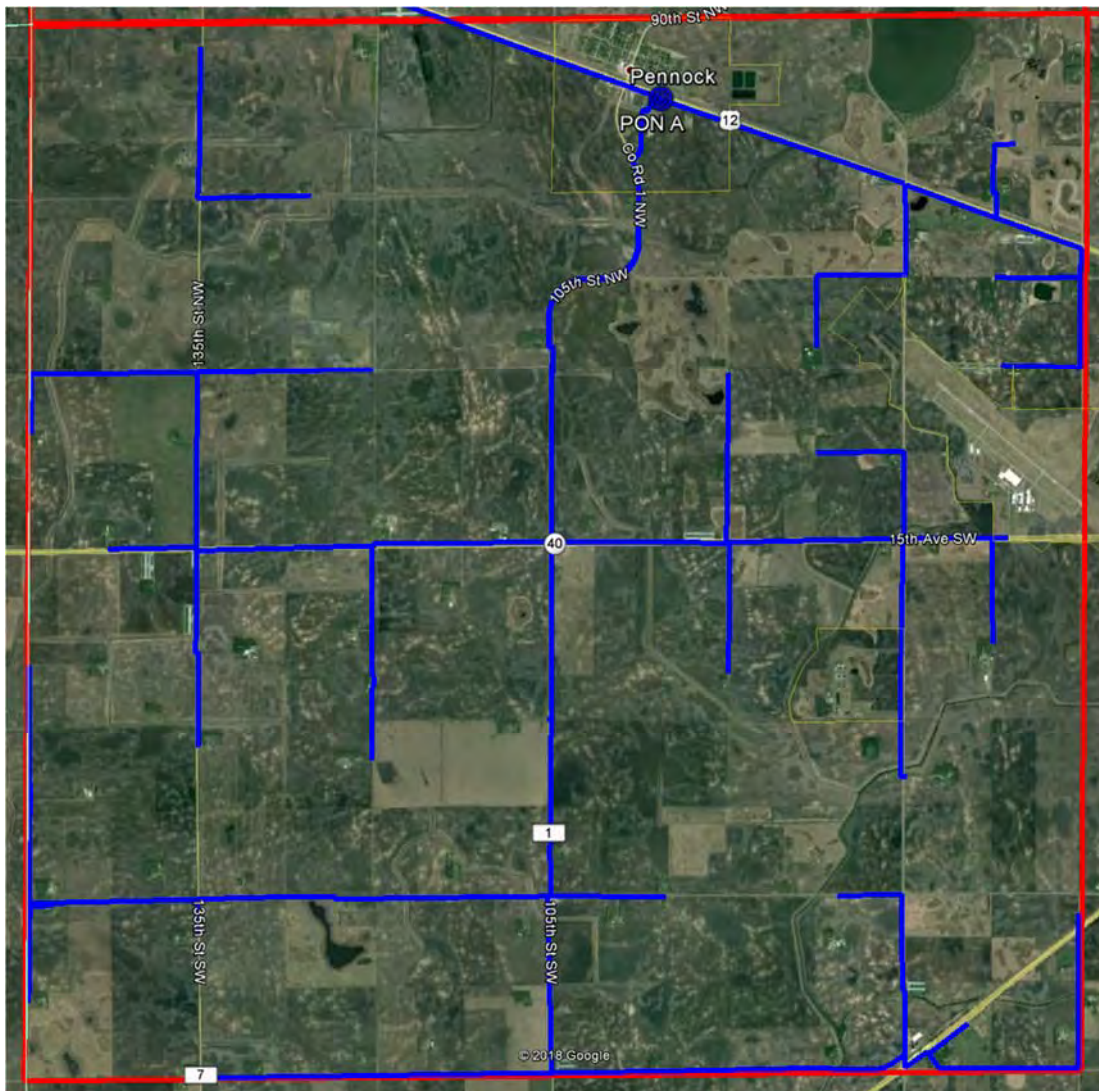


Figure 6: Saint Johns Township Fiber Design

Project Costs

Project costs were determined from the completed high level FTTH design. Cable sizes were determined based on field verified structure counts and lengths were measured in Google Earth. All cable was tabulated as direct bury other than road crossings, railroad crossings, driveways, pipelines that are to be bored. Compass staff reviewed field conditions and noted any areas of concern to be avoided or where boring would be best practice. Labor and materials cost are based on historic numbers from previous Arvig fiber projects with inflation applied. Total project costs are \$3,983,391.07 as detailed in table 4.

Dovre, Mamre, St John's Townships Cost Study		
115.77 miles		438 Subscribers
ITEM DESCRIPTION		COST
Network and Access Equipment		
PON A		\$ 57,405.00
PON B		\$ 40,770.00
Subtotal		\$ 98,175.00
Outside Plant		
Dovre		\$ 800,515.22
Mamre		\$ 1,230,684.08
St John's		\$ 1,119,427.65
Subtotal		\$ 3,150,626.95
Buildings and Land		
PON A		\$ 2,500.00
PON B		\$ -
Subtotal		\$ 2,500.00
Customer Premise		
ONTs		\$ 149,298.00
Inside Wiring		\$ 178,800.00
Subtotal		\$ 328,098.00
Professional Services		
Engineering		\$ 378,991.12
Environmental		\$ 25,000.00
Subtotal		\$ 403,991.12
TOTAL		\$ 3,983,391.07

Table 4: Project Costs



Central Minnesota

**JOBS & TRAINING
SERVICES**

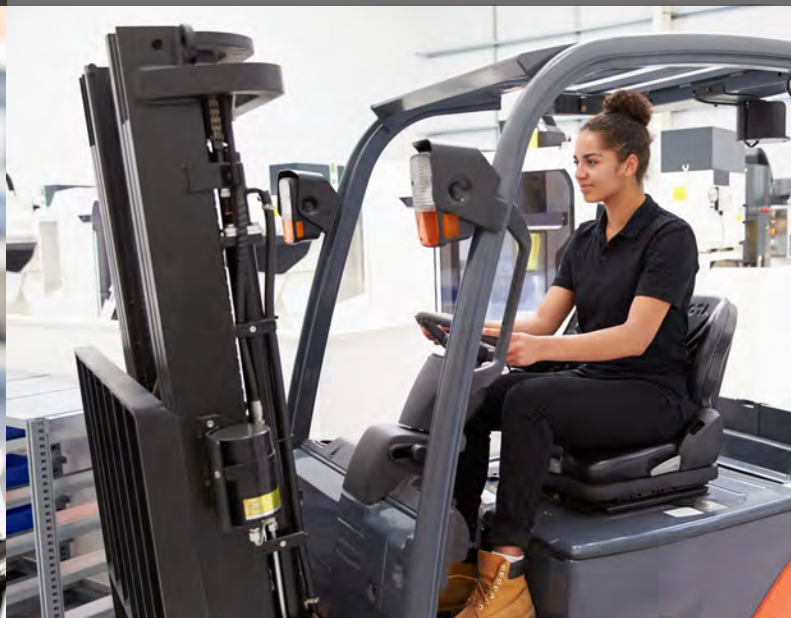
www.cmjts.org



Equal Opportunity Employer and Program Provider

Workforce excellence is CENTRAL to all we do.

Upon request the information in this document can be made available in alternative formats for people with disabilities by calling 800-284-7425.



Ready for a Career in Manufacturing?

Free to Attend! Register Today!

COURSE DATES

February 10, 11, 12, 14,
17, 18, 19, 21, 2020
10:00 am–3:00 pm

LOCATION

Ridgewater College
2101 15th Ave. NW
Willmar, MN 56201

To register, contact:

Vanessa Gerhardson, Eric Day,
or Delina Woltjer



Women-on-the-Move Training Opportunity

If you want to earn good wages in an exciting, rewarding, and modern manufacturing industry where women have proven to be successful, then this is the program for you!

- Instruction on the basics of manufacturing concepts/skills and workplace safety
- Forklift training and certification
(Monday, February 17, 2020, 10:00 am–4:00 pm)
- Meet with industry employers

Basic Eligibility Requirements

Women of color (ages 16+)
Low-income women (ages 18+)
Women over age 50

Preparing Women for Careers in Manufacturing

This training opportunity is brought to you by CMJTS with funding from the Minnesota Department of Employment and Economic Development.

For more information, contact:

Vanessa Gerhardson
CareerForce Willmar
vgerhardson@cmjts.org
320.249.7650

Eric Day
CareerForce Litchfield
eday@cmjts.org
320-241-1747

Delina Woltjer
CareerForce Willmar
dwoltjer@cmjts.org
320.292.4798



**Joint Operations Board Meeting
Connie Schmoll Report
January 23, 2020**

Child Care

The Spicer Learning Center is now open (December 23rd) and providing childcare services. With an extra room for the first year specifically for infants, they are helping reduce the County's greatest need which is additional spaces for infants.

Willmar Child Care Center—The Center still needs further funds for the additional costs of buildout. All funders have approved a four-month deferral on payments (January through April) to allow time to seek the extra funds and to secure licensing. The application for licensing has been sent to the state.

Broadband

Compass Consultant's Inc. and the EDC mailed a survey form to all businesses and residents in the three targeted townships to assess current speeds and interest for greater speeds. With a goal of at least 250 (20%) returned surveys, the final count came out higher at 344 (30%).

The marketing survey and engineering study were completed and results presented to the committee members at the January 6th Broadband and Advanced Technology Committee meeting. A presentation of the results to the townships' board representatives and county representatives will be conducted on January 30th at the Pennock City Hall. A copy of both the engineering study and the marketing the study has been provided. The cost of the project for all unserved and underserved premises (438) is expected to cost \$3,983 391. The length of the build is 115.77 miles.

Donna Boonstra and I attended two very informational and impacting conferences on Broadband, one in Nisswa, MN and one in Alexandria, VA.

Agriculture Innovation

The EDC's Ag Subcommittee for Event Planning and Marketing is engaged in planning two events: The Partners in Ag Innovation conference in conjunction with MinnWest Technology Campus to be held July 30, 2020 and a seminar on estate transfer and succession planning for ag producers sometime in March. The second event is a partnership between the Ag Committee, the Willmar Lakes Area Chamber of Commerce and Christianson PLLP. We are also seeking a sponsorship by a local bank.

Meetings and Events

1. Blandin Broadband Innovation Conference
2. Rice Health Foundation Chamber Connection
3. Poultry Research and Training Facility meeting
4. Childcare Core Leadership Team
5. Opportunity Zone Marketing/Golden Shovel
6. NDC Training Class Neighborhood Development Center
7. Highway 23 Membership meeting
8. MWTC Business Development
9. High Speed Broadband: Driving America's Growth
10. Senator Tina Smith's office staff
11. Senator Amy Klobuchar's office staff
12. Representative Collin Peterson's office staff
13. Agriculture Utilization & Research Institute (AURI)-Building on Industrial Hemp Industry
14. Presentation Bankers Association (EDC programs, priorities, financing options)
15. EDC video review
16. Renville County team discussion on Industrial Hemp
17. Chamber Connection at Conway Deuth and Schmiesing
18. Willmar City Planning Meetings
19. Pitch night at Workup – 3 business pitches: Toni Koch, Rejuvenate Salon & Spa; Nathalie Nkashama of World Mart; Mandy Nelson of Re-Fit
20. Work-up Update meeting with Betsy Bonnema
21. Chamber Connection at Kensington Bank
22. West Central Minnesota CERTS seed grant review meeting
23. Networking with Joanna on MinnWest Technology Campus Development
24. Meeting with Sarah Swedburg at Willmar City Planning on Annexation of parcels NW – to Epitopix
25. Community Venture Network – business pitches – three business follow-ups
26. AgProfessionals Holiday gathering and meeting
27. James Miller Reception leaving United Way
28. Spicer Learning Center VIP event and tour and the Ribbon Cutting the next day
29. Willmar City Planning Commission on Annexation and zoning change request
30. Southwest Business Development Networking Meeting in Olivia
31. Business Development Meeting on MinnWest Technology Campus Development
32. LYFT conversation with Cheryl Glaser and Donn and Les of MMRDC
33. Neil Linscheid planning on January SWBDN meeting in Willmar – Retail Design Workshop Program
34. SCORE Business start-ups training webinar
35. Update meeting with Compass Consultants and Arvig
36. Willmar Township Meeting on Annexation
37. Highway 23 Legislative Committee Meeting
38. Ag Innovation Workshop planning
39. Farm Succession Seminar Planning
40. One Million Cups

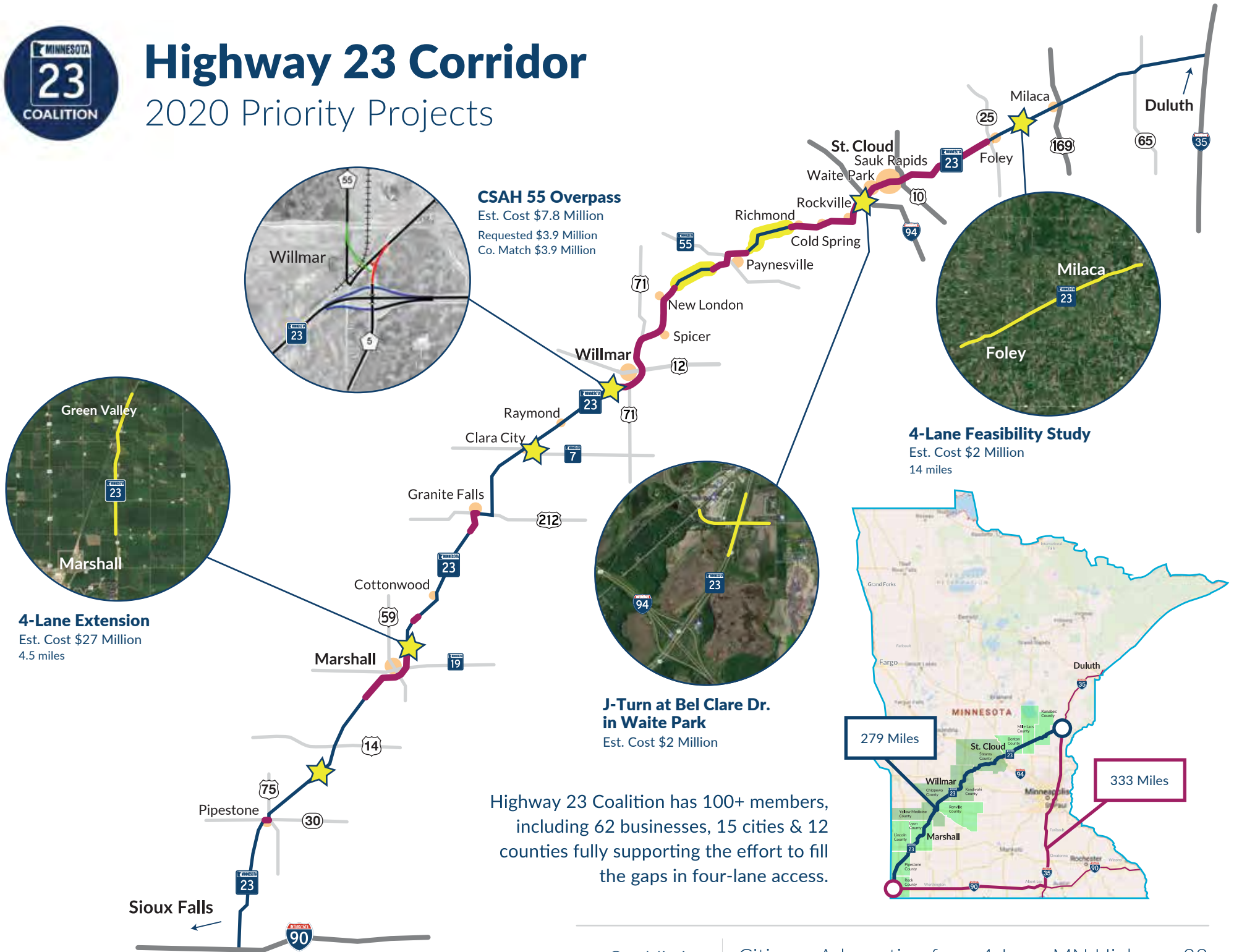
Business Visits

1. Glow by J.
2. Jiva Massage, Atwater
3. Kandi Mall Vendor Marquet
4. Lulu Beans
5. Karen A. Glacial Ridge Winery planning
6. Leaf Line – Bill Parker
7. Willmar Child Care Center meeting with owner and financing team
8. Mel's Sport Shop Spicer
9. Spicer Area Learning Center
10. The Goodness Coffee Shop
11. Mass Hysteria Fitness Club
12. Bargains and Blessings
13. Epitopix
14. Woody's Trucking
15. FedEx facility
16. Three CVN Businesses – prospects
17. Three people planning business start-ups



Highway 23 Corridor

2020 Priority Projects





Community Focus Grants

Kandiyohi County & City of Willmar EDC Report December 31, 2019

END PROJECT REPORT

Please submit at least three photographs with signed release forms from your project with this report for use by United Way of West Central Minnesota.

Return completed report to:

United Way of West Central Minnesota, PO Box 895, Willmar, MN 56201 or james@liveunitedwcm.org

Project Title: Rural Retail Revitalization – Kandiyohi County

1. Number of people involved in the planning of this project:

The EDC engaged a variety of partners to create a Retail Business Design Workshop series that included five merchandising workshops and five coaching sessions for small retailers in the greater Kandiyohi County area. Ultimately, there were ten partners in this effort—the U of MN Extension, U of MN College of Design, EDC, Willmar Main Street, Spicer Economic Development, City of New London, Willmar Area Community Foundation, United Way of West Central MN, Ridgewater College and the Willmar Lakes Area Chamber of Commerce.

2. Number of people who attended/benefited from this project:

A total of 22 participants representing 17 small retail businesses from the region participated in the workshop/coaching sessions over 10 weeks from February to April of 2019. Half the attendees were small retailers from Willmar. Other communities represented were Atwater (2 people), Belgrade, Morton, New London (3), Sauk Centre and Spicer (3).

In terms of demographic information, 17 of the participants or 77% were women. Three diverse businesses (18%) participated, including 1 Latino and 2 Somali businesses. It is notable that 13 out of the 17 businesses or 76% were women-owned businesses. Types of businesses included: 4 boutiques, 2 clothing stores, 2 consignment stores, 2 ethnic grocery stores, 1 ethnic restaurant, 1 salon, 1 gun & ammo, 1 thrift store, 1 entertainment, 1 gift shop, and 1 flower farm business.

During the workshop series and following an application process, four of the business participants were matched with Jackie Parr, a University of Minnesota (U of M) College of Design doctoral student for additional one-on-one technical assistance (TA). (Fully 10 out of the 17 participating businesses submitted TA applications.) Ms. Parr prepared a Business Brief that laid out findings (including marketing target market strategy, recommendations (including inventory



Community Focus Grants

recommendations, action plans, merchandising strategies) and other elements. The Beauty Box Business Brief is attached as a sample of the analysis that was done.

The idea was to implement methods and techniques through the TA that will have a direct impact on those retail businesses. The four businesses selected for the additional TA were Beauty Box Boutique in Willmar, Patina Marquet in Willmar, River Valley Arms & Ammo in Morton, and Rustic Designs Flower Farm in rural New London. The planning team members approved small grants (\$1,650 or less for each business) to implement recommended action plans to increase the likelihood of success in increasing sales. Beauty Box built a decorative wall and undertook targeted Facebook advertising. Patina Marquet acquired a new Point of Sale (POS) system allowing them to better track inventory and vendors. River Valley Arms utilized influencer marketing, a type of advertising that uses category leaders or celebrities to communicate brand messages to tens of thousands of their followers. Rustic Designs Flower Farm had beautiful professional photography and drone video undertaken.

With residual funds from the program, two additional participating businesses received small grants—Amin Grocery in Willmar and Camille's Closet in New London. The former was able to add shelving and move the cash register area to a better location; the latter was able to acquire a POS system for the business.

3. Describe the project.

The workshops ran from 8:00 to 9:30 a.m. During February 2019 the workshops and sessions were held at the Bremer Bank Community Room. During March, the events occurred at the Willmar Public Library. The Social Media Marketing workshop was held in conjunction with the Social Media Breakfast at WORKUP on the MinnWest Technology Campus (MWTC). The cost of this 10-week intensive program was \$250 for each participant. Scholarships were available on an as-needed basis (all participants qualified for some level of assistance). A total of \$3,125 in scholarships were provided to the workshop participants (United Way of WCM/Willmar Community Foundation \$3,000 grant was used for the scholarships and meeting refreshments.) In particular, we wanted to assist women-owned businesses and minority retail owners and managers to ensure their participation.

On alternating weeks there were coaching sessions for participants to implement and assist one another in applying the information from the workshops (the last session occurred on April 10th). Experienced and dynamic presenters at the workshops included Peggy Lord, a former Vice President of Merchandising for Target; Jaye Thompson, previously with Target and Proctor & Gamble; Cheryl Olson, a Director with Bluestem Brands (also known as Fingerhut) and consultant for Best Buy, Target and Marshall Fields; and Jenna Paulus, Public Relations Manager of Deluxe Corp. These sessions were facilitated by U of M College of Design and Extension staff. A significant benefit of the workshops were the small group discussions that occurred amongst participants and an opportunity to interact with experts in senior level retailing.



Community Focus Grants

The total cost for undertaking the Retail Business Design Workshops – Kandiyohi County was approximately \$13,943 (See attached income and expense sheets). It should be noted this cost excludes the time of UM School of Design faculty, Hye-Young Kim and Hyunjoo Im, who played a key role in the success of the workshops; the reimbursement of Jackie Parr's time, who met with individual businesses and provided insightful TA analysis to the businesses; it excludes the time that Neil Linscheid and Kathy Schwantes from UM Extension on developing the program and coming up with state financial support; and the efforts of Sarah Swedburg to promote and record the sessions; and the efforts of the EDC to market the program, etc. If one includes those activities the total costs would likely exceed \$25,000.

4. Did you accomplish what you set out to accomplish? Do you consider this project a success?

Most definitely yes—we had a well-attended workshop series with a good cross-section of types of retail businesses (and despite several snowstorms!). The presenters that the UM School of Design arranged for were awesome. When we surveyed participants afterwards, most participants ranked the presenters as very qualified and interesting (typically two-thirds or better of the participants gave the sessions the highest rankings). The retail participants were pleased with the sessions and were all interested in follow-up meetings and activities.

5. What would you have done differently?

We could have promoted the taped sessions better for those who missed the sessions. We can still use those video-taped sessions in the future.

6. What changes happened as a result of this project?

The success of the Retail Business Design Workshop program continues to be evident in the messages received from the participating businesses. As a result of the workshop series, three of the participating businesses (Amin Grocery, Camille's Closet, and Patina Marquet) have now acquired computerized POS systems—before they were recording transactions by hand—and have become much more efficient in their operations as a result. Since the workshops were held three of the participating businesses have been featured in the West Central Tribune. Rustic Designs Flower Farm (6/10/19, Live it! Magazine), Patina Marquet (9/25/19), Beauty Box Boutique (12/11/19 and also was featured on WCCO in December). A number of the businesses have increased their customer bases and revenues significantly, though it probably would be beneficial to survey them again later in 2020.

7. Did this project provide parent education? If so what?



Community Focus Grants

Not applicable. All of the participants were over 21 years of age and no children were at the workshops.

8. How do you intend to continue this project, or similar projects, in the future?

The retail participants were pleased with the sessions. So much so that they have continued meeting at member businesses on a bi-monthly basis to highlight what the host business has implemented from the workshops and for other participant updates and for group discussions on various topics. On June 5th the first workshop reunion was held at WORKUP, a co-working space on the MWTC Campus in tandem with a Social Media Breakfast. On August 7th, a reunion was held at Patina Marquet, a re-purposed home furnishings business in the Kandi Mall.

On October 2nd the third reunion was held at Camille's Closet, a women's quality consignment store in New London. December 4, 2019 the fourth follow-up meeting of the Retail Business Design Workshop participants was held at the Beauty Box, a women's clothing boutique and skin care store that recently re-located in Willmar. Typically, 9 to 12 people have attended these follow-up sessions. The group is now starting to pick up small retailers that were not part of the workshop series, and its mailing list has been expanded from two dozen to over 50 businesses. In fact, the next follow-up meeting on February 5, 2020 will be at Gossman Pottery in New London. They are not an original workshop participant, but are interested nonetheless.

Because of the positive impacts of the program, the U of M Extension has been actively considering replicating this retail business design workshop series in other communities. It is also anticipated that Extension and other partners may develop and distribute a local economic development best practices guide for retail revitalization efforts to be replicated elsewhere.

9. How did you give recognition to United Way of West Central Minnesota for funding your project?

All flyers, social media and other marketing materials listed all the project partners, including the logos of the Willmar Area Community Foundation and the United Way of West Central Minnesota. When the EDC and others discussed the workshop series on radio, they referenced both partners.

10. Name and Number of Contact Person.

Aaron Backman, Executive Director, EDC at 320-894-5284; and
Connie Schmoll, Business Development Manager, EDC at 320-522-1805.

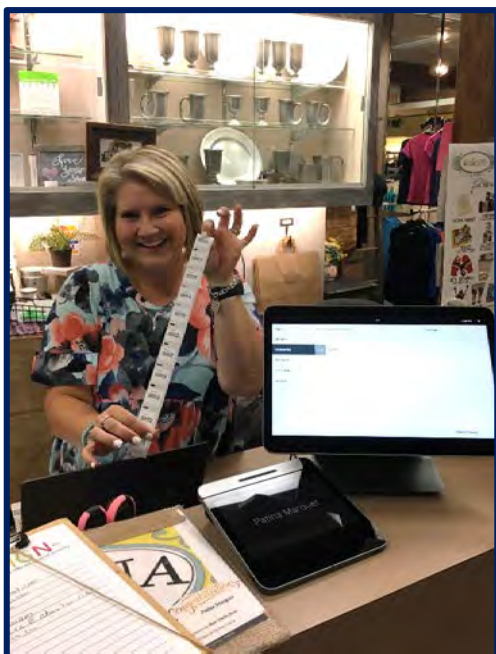


Community Focus Grants

Session 2: Target Marketing by Jaye Thompson (Former Target Mgmt & Lecturer Professor within the College of Design's Retail Merchandising Program at the University of Minnesota)



Tanya Smith demonstrating the new POS System at Patina Marquet





Community Focus Grants

Abdiweli Yusuf, Owner of Amin Grocery and one of the Workshop participants working at his new cash register location and with his new POS



Workshop Reunion on 10/2/19 at Camille's Closet



KANDIYOHI COUNTY

RETAIL BUSINESS DESIGN WORKSHOPS

January 1 - December 31, 2019

INCOME

Workshop Registrants

Ain-U-Shams	Abdilahi Omar	\$ 50.00
Amin Grocery	Abdiweli Yusuf	\$ 50.00
Atwater Gift Shop & Massage by Sherry	Tammy Moll/Sherry Gonzales	\$ 250.00
Beauty Box Boutique	Misty Watkins	\$ 100.00
Big Kahuna	Michelle Gauer	\$ 250.00
Camille's Closet	Laura Becker	\$ 125.00
Habitat for Humanity of West Central MN	Hans Hibma/Marybeth Nelson	\$ 125.00
Hair Designs	Chris Rieckman	\$ 150.00
The Happy Sol	Gina Lieser/Stacey Roberts	\$ 200.00
Main Street Boutique/Berg's Country Barn	Anita Berg	\$ 100.00
New 2 You Thrift Store	Kristin Poortvliet/Ben Dehmlow	\$ 125.00
Paper & Threads, LLC	Joanne Kujawa	\$ 125.00
Patina Marquet	Terry Smith/Tanya Smith	\$ 50.00
River Valley Arms & Ammo	Heather Koffler	\$ 150.00
Rustic Designs Flower Farm	Mary Solbreken	\$ 150.00
Spurs Bar & Grill	Willie Gonzales/Aydee Lopez	\$ 125.00
Urban Escape Boutique	Eryn Hannig	\$ 250.00

Total Registration fees:

\$ 2,375.00

Sponsors

City of New London	\$ 1,000.00
City of Willmar	\$ 6,000.00
Ridgewater College	\$ 500.00
Spicer Economic Development Authority	\$ 500.00
Willmar Lakes Area Chamber of Commerce	\$ 250.00
United Way	\$ 3,000.00

Total Sponsor fees

\$ 11,250.00

TOTAL INCOME

\$ 13,625.00

KANDIYOHI COUNTY

RETAIL BUSINESS DESIGN WORKSHOPS

January 1 - December 31, 2019

EXPENSES

Marketing

REDstar Creative, Inc.	INV EDC - Jan - 2019	\$ 818.95
REDstar Creative, Inc.	INV EDC - Feb - 2019	\$ 376.25

Total Marketing

\$ 1,195.20

Meeting refreshments

KO Coffee Company/Dunn Bros.		\$ 227.00
Heglund Catering	4/3 meeting	\$ 218.40
Beck, Diane	6/5 reunion meeting	\$ 26.52
The Goodness	follow-up meeting at Beauty Box	\$ 45.88

Total Meeting refreshments

\$ 517.80

Mileage/Honorariums

Regents of the University of Minnesota	Hye-Young Kim mileage and honorarium	\$ 1,000.00
Regents of the University of Minnesota	Hyunjoo Im mileage and honorarium	\$ 1,000.00
Regents of the University of Minnesota	Peggy Lord mileage and honorarium	\$ 200.00
Regents of the University of Minnesota	Jaye Thompson mileage and honorarium	\$ 200.00
Regents of the University of Minnesota	Cheryl Olson mileage and honorarium	\$ 320.00
Regents of the University of Minnesota	Jenna Paulus mileage and honorarium	\$ 320.00

Total Mileage/Honorariums

\$ 3,040.00

TOTAL EXPENSES

\$ 4,753.00

TOTAL AVAILABLE FOR GRANTS:

\$ 8,872.00

Business Grants

Amin Grocery LLC	\$ 1,595.00
Beauty Box Boutique	\$ 1,477.21
Camille's Closet	\$ 1,368.24
Patina Marquet	\$ 1,650.05
River Valley Arms & Ammo	\$ 1,500.00
Rustic Designs Flower Farm	\$ 1,600.00

Total Business Grants

\$ 9,190.50

TOTAL EXPENSES/GRANTS

\$ 13,943.50

BALANCE REMAINING:

\$ (318.50)



Joint Powers Board Meeting

Aaron Backman Report

October 24, 2019

Innovative Business Development Public Infrastructure (IBDPI) Grant Award for Epitopix Sewer Line Project

Epitopix, LLC is a privately-held company located in Willmar, and is an affiliate of Vaxxinova, a company based in the Netherlands. Epitopix produces veterinary vaccines for the agricultural sector, selling vaccine throughout the U.S. for use in poultry, cattle, and swine. The company currently holds over 50 U.S. and worldwide patents on their biotechnology products. The parent company plans to accelerate Epitopix's growth in animal vaccines and is prepared to invest over \$15 million in Willmar in capital investment and add 17 well-paying biotech jobs within Kandiyohi County. However, they cannot make that investment if there is inadequate sewer service to the site and currently they have to tanker trucks to haul all the dirty water to the Willmar Wastewater Treatment Plant. Based on engineering calculations, the sanitary sewer line would run 6,400 linear feet and would cost approximately \$1.3 million.

On October 3rd the EDC submitted a grant application to the MN Dept. of Employment & Econ. Development on behalf of the City of Willmar requesting \$1.3 million in state grant funds for the project. On October 25th the EDC received word from the MN Dept. of Employment & Econ. Development that the DEED Commissioner Steve Grove had approved a \$1.3 million IBDPI grant with the City of Willmar for the Epitopix sewer line project. The line runs from the main north-south interceptor near the Willmar Industrial Park, west along the north side of the new Hwy 12, then north on 45th to the Epitopix production facility. Epitopix and Vaxxinova were pleased with the news.

The EDC is working with the City Attorney and City Staff on several aspects of the project, including the grant agreement, property declarations, addressing questions regarding the requisite property interest, a related waterline extension, the land annexation necessary for the project, and the appropriate zoning. The City and EDC team held several planning meetings and conference calls regarding this project. On December 16th the Willmar City Council formally accepted the grant.

Approximately 81 acres of land will need to be annexed into the City to accommodate the Epitopix project. In November a feasibility request was sent to various city/county departments, a petition was prepared for property owner signatures, and an initial meeting was held with Willmar Township. In December the Willmar Planning Commission reviewed the petition for annexation which was well received; and a legal notice was published in the newspaper. On January 7th the Willmar Township reviewed and approved the petition for annexation and resolution to execute the Joint Orderly Annexation Agreement with the City of Willmar. Subsequently on January 21st the Willmar City Council also unanimously approved the Orderly Annexation Agreement. Later this month the executed ordinance will be sent to the State of Minnesota Municipal Boundary Adjustments office.



Highway 23 Coalition

Hwy 23 North Gap – The purchasing of homes/property is underway. Bidletting is planned for early 2022 and construction is planned for 2022 and 2023.

South Gap – Land acquisition activities have begun. MnDOT will be holding an Open House regarding the South Gap later in 2020. Construction is planned for 2023 and 2024.

At the Coalition's Fall General Membership Meeting at Prairie's Edge Convention Center in Granite Falls on October 18th MnDOT Commissioner Margaret Anderson Kelliher announced that MnDOT District 8 was going to move ahead with and fund the Intersection Safety Study at Hwy 7 and Hwy 23 in Clara City. That project was a top priority for Clara City and Chippewa County and one of the Coalition's top four priorities for 2019. The purpose of the study would be to consider options, including potential infrastructure changes, to enhance safety at that intersection and reduce the incidents of accidents, and make recommendations to MnDOT. Since November MnDOT District 8 has hired Jesse Vlaminc as the consultant coordinator for the Clara City Intersection safety study. They expect to start work in earnest on the study by April 2020.

The Coalition officers held a Brainstorming Session on November 12th with representatives of WSB, Bolton & Menk, and the Assistant District 8 Engineer regarding obtaining Critical Freight Corridor Designation for portions of the Hwy 23 Corridor and potential Transportation Studies the Coalition could support.

At the December 18th Board meeting the Coalition announced that Aaron Backman would be stepping down from his Coalition membership duties as of January 15, 2020 and that he would continue his role as Secretary/Treasurer. It was further announced that the Mayor of Marshall, Bob Byrnes, would be hired as an independent contractor as Coalition Coordinator and would take over membership duties. The Board formally approved the contract effective January 1st.

At the January 15th Board meeting the Coalition announced its top four Hwy 23 priority projects for 2020. They are: Benton County—supporting a four-lane feasibility study from Foley to Milaca (est. \$2 million cost); Stearns County—supporting a J-Turn at Bel Clare Drive in Waite Park (\$2 million); Kandiyohi County--supporting the CSAH 55 Overpass over the BNSF Railroad (\$7.8 million project); and Lyon County—supporting a four-lane extension from Green Valley to Marshall (\$27 million).

2020 Connecting Entrepreneurial Communities (CEC) Conference

The Connecting Entrepreneurial Communities (CEC) Conference collaborative is seeking proposals to host its September 2020 conference. The CEC Conference, which is expected to have 150+ attendees, is designed for small rural communities (under 10,000 in population) interested in building entrepreneurial communities throughout Minnesota and beyond. Conference attendees



would include business leaders, entrepreneurs, elected officials, community leaders, economic development professionals, higher education reps, etc. The two-day conference is not intended to be held in a conference center, but in a downtown setting that is walkable and that takes place in a community that has restaurants, retail stores, art galleries and other amenities for participants. Last year it was held in Waseca in Southern MN.

The CEC Conference team is led by the University of MN Extension and has many partners, including MN Small Business Development Centers (SBDCs), the Preservation Alliance of MN (now called “Rethos”) Main Street Program, Greater MSP’s Forge North Coalition, the Agricultural Utilization Research Institute (AURI), SBA, the Latino Economic Development Center, the African Development Center, the U of MN Carlson School of Management, etc. The CEC Conference team helps line up presenters on a variety of topics.

The EDC was first notified regarding this conference opportunity on November 19th. The deadline to submit the electronic application was December 13th. Given the short lead time, the idea was quickly brought to the New London Business Network’s membership meeting on November 21st. The City of New London appears to be the best fit for the CEC Conference in Kandiyohi County and has the necessary amenities in a walkable environment. The New London Business Network members expressed interest in seeing the conference held in the community. A follow-up meeting was held with Stacey Ryan, Chairwoman of the Business Network, and Roger Imdieke to discuss funding the local match (\$3,000) needed for the conference, partner involvement, and the application.

The EDC Joint Operations Board is on the record as supporting the EDC providing \$800 for the local match. SWIF has committed to providing \$1,000. And Lake Region Bank has agreed to provide \$1,200 in local support. Connie Schmoll has agreed to be co-chair of the local CEC Conference Committee (along with Stacey Ryan). Connie has connected with Steve Rambow regarding the Rambow business being involved. Kathy Schwantes, Regional Director for MCROC, has also agreed to be a partner in the CEC Conference. Neil Linsheid, Extension Educator in South Central MN is also a CEC Planning Team member. There were about 12 communities that submitted proposals to host the conference. We are expecting to find out later this month if New London was selected.

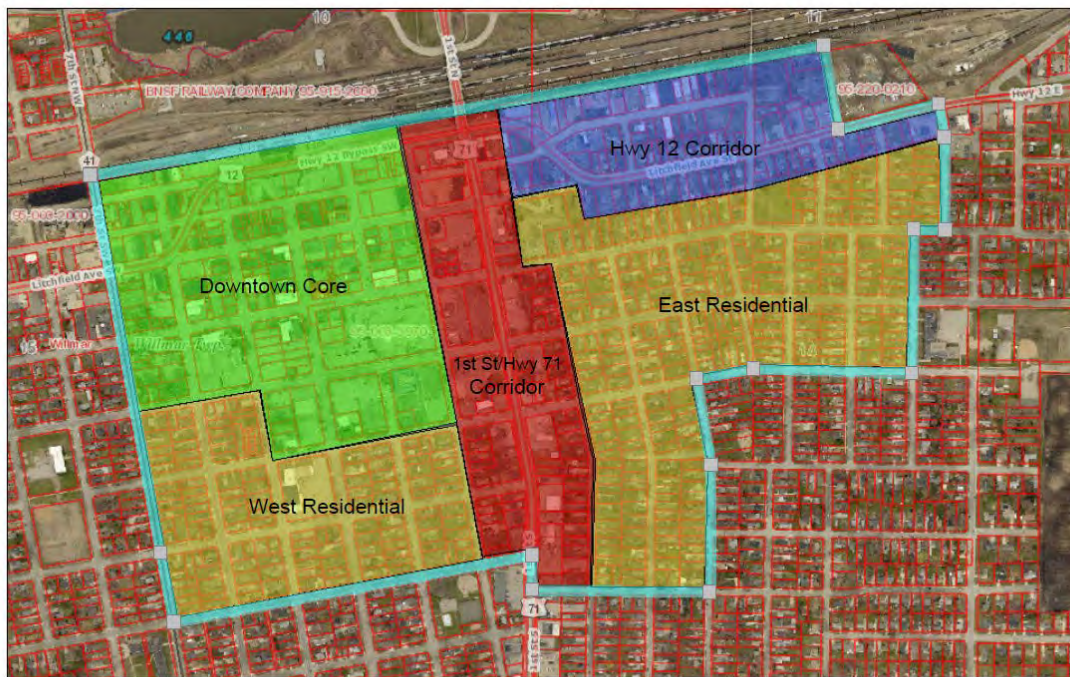
Marketing Effort for Willmar Opportunity Zone (OZ)

As part of President Trump’s 2017 Tax bill there was a provision creating the Opportunity Zone Program. In June of 2018 Governor Dayton selected 128 census tracts to be Qualified Opportunity Zones. These are low-income communities that the federal government is encouraging private investment by deferring taxation on capital gains until December 31, 2026, reducing gain that is taxed by up to 15%, and no tax on additional gain if property held for 10 years. So, there can be direct tax benefits to developers, developers can raise equity capital from investors who can use the tax benefit, and property owners can attract tenants who can use the tax benefits for capital costs.

In Kandiyohi County there is one approved Opportunity Zone (OZ) located in Census Tract 780800 in Willmar. It covers the Downtown, parts of 1st Street and Hwy 12 Corridors, and two residential areas. To take full advantage of the program, investments should be initiated this year. Given there are 8,700 Opportunity Zones around the country, promoting Willmar's OZ requires a significant marketing effort. Last summer I suggested that we partner with an agency that has experience marketing for economic development entities and opportunity zones.

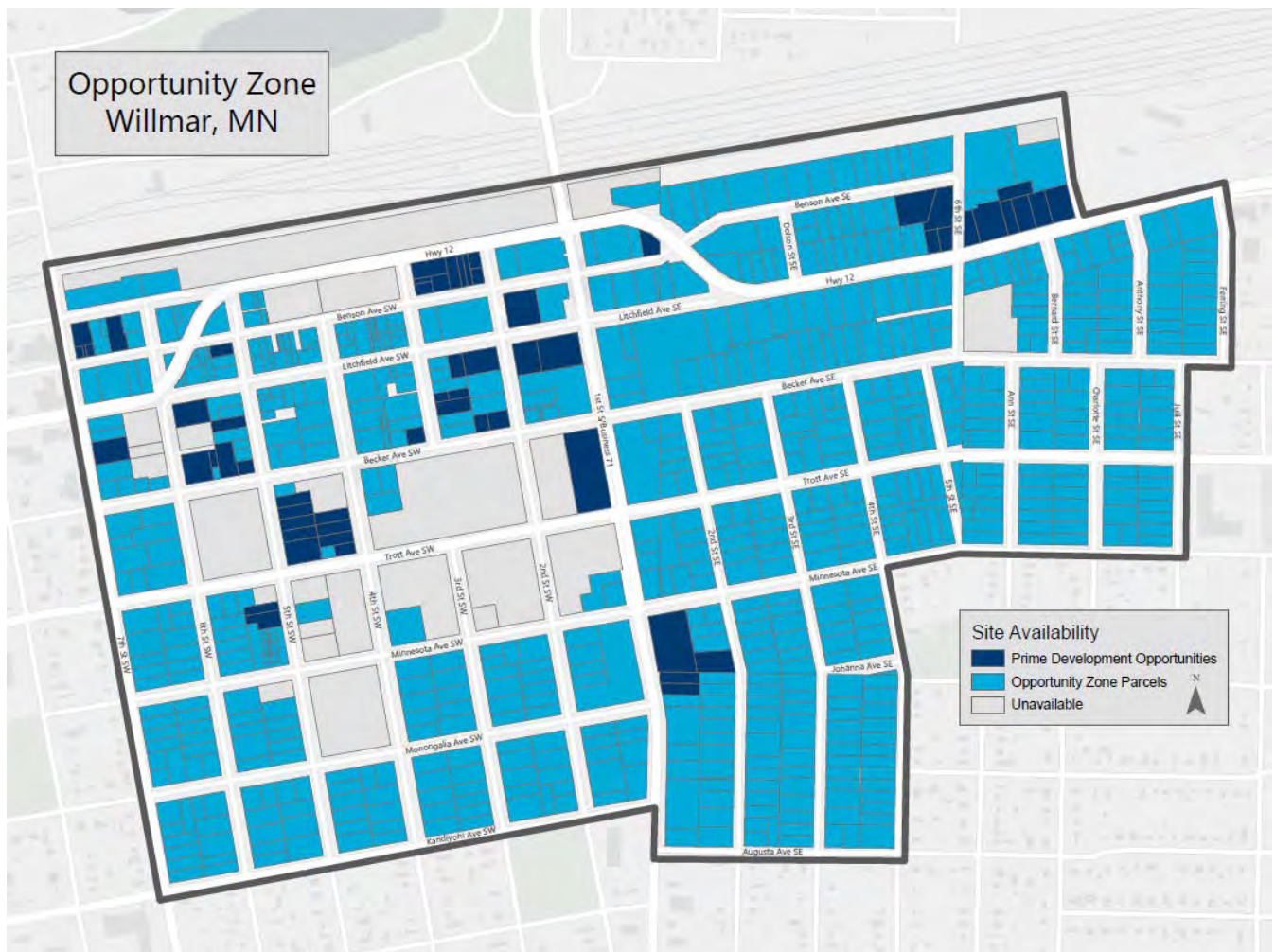
On September 16th the EDC's Joint Powers Board approved a marketing contract with Golden Shovel to develop a prospectus to market the Willmar Opportunity Zone. The Board approved the contract as was proposed by the EDC's Joint Operations Board, with \$13,500 coming from the EDC and \$5,000 from the Willmar Main Street Program. Since that time Willmar OZ Team, which include: Ron Kresha, Golden Shovel COO; David Ramstad and Sarah Swedburg from the City of Willmar/Willmar Main Street; Lindsey Donner, REDstar Creative; Connie Schmoll, EDC; Melissa Knott, Director of Marketing, Christianson & Assoc., have held several meetings and have interacted frequently.

Current Uses

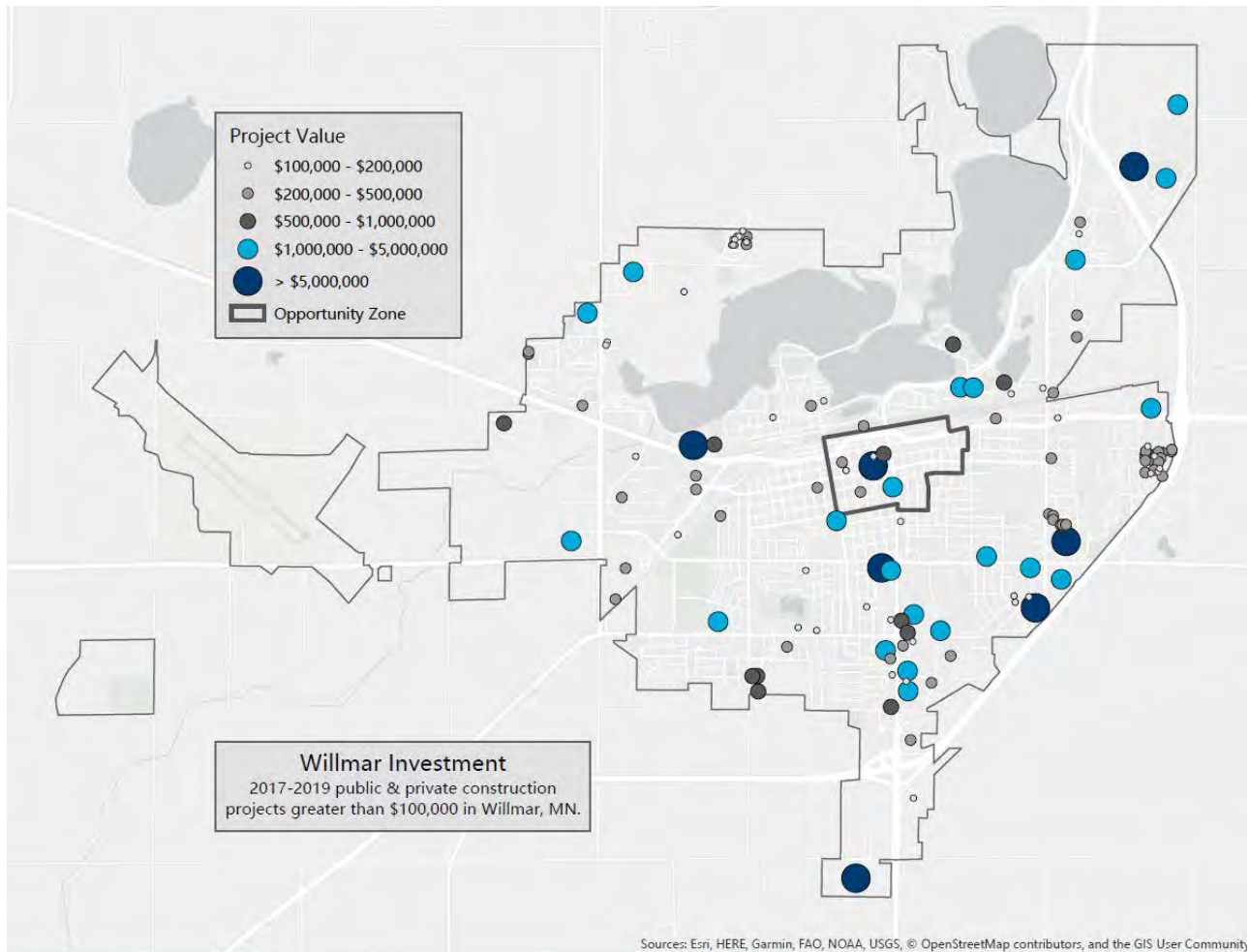


One way to look at Willmar's OZ is that there are at least five sub-zones or neighborhoods in the zone: the 1st Street/Business 71 Corridor, the Hwy 12 Corridor, the East and West Residential (which are primarily R-2 1 & 2 Family Residential) Areas, and the Downtown Core (the Central Business District).

On October 16th there was a helpful article in the West Central Tribune regarding Willmar's Opportunity Zone and the EDC's efforts to promote. As a direct result of that article the City of Willmar and the EDC were contacted by several property owners along the Highway 12 Corridor potentially interested in selling for a redevelopment project; and several potential investors, the most notable being HG Real Estate Partners based in the Twin Cities that has invested millions of dollars into projects in the Twin Cities and into several projects in Willmar.



By the end of December 2019 the Willmar OZ Prospectus was largely ready. Several interesting maps have been created as a result of this effort. The above OZ map highlights prime development sites that the Team has identified. Below is a Hot Spot map that shows development that has occurred in Willmar during the past three years. Prospectuses were printed up in the second week of January and are being distributed to business owners, developers, and investors in Willmar and beyond.



Business Meetings (October 24th – January 23rd)

1. Attended Willmar Chamber Connection at West Central Industries (10/25/19)
2. Participated in conference calls with Willmar City Staff re items related to state grant for Epitopix sewer line project (10/29 & 10/30/19)
3. Presented to Greater MN Housing Board; Tour of 15th Street Flats; Participated in diverse business panel discussion held at Midtown Plaza; Attended reception and Dinner at Little Crow Resort with Board members and other guests (10/31/19)
4. Monthly Mtg. w/Dr. Johnson, President, Ridgewater College (11/1/19)
5. Attended Vision 2040 Steering Committee Monthly Meeting
6. Presented announcement/update of \$1.3 million grant from MN DEED for Epitopix sewer extension to Willmar City Council (11/4/19)

7. Meeting w/local developer re housing project near City Hall in the Willmar Opportunity Zone; Follow-up meeting with Dave Ramstad re same project (11/5/19)
8. Meeting w/Dean Steinwand re commercial/industrial projects in Willmar
9. Meeting w/Willmar City Staff re funding sources for the proposed water line to EpiTopix production facility (11/6/19)
10. Meeting and tour of the proposed space in the MinnWest Technology Campus for Minneapolis company considering expanding here; It included representatives from MWTC, Nova-Tech Engineering, and the West Central Angel Fund (11/7/19)
11. Conference Call w/Executive Team of MAPCED to discuss the agenda items for the upcoming MAPCED Quarterly meeting in St. Cloud on December 9th
12. Attended Hwy 23 Coalition Brainstorming Session w/Board officers, MnDOT, WSB, and Bolton & Menk representatives re Rural Freight Corridor Designation and Corridor Transportation Studies at McMillan's in Willmar (11/12/19)
13. Participated in Hwy 23 Coalition Priority Projects Committee Meeting at EDC (11/13/19)
14. Bi-Weekly Development Mtg. w/Dave Ramstad, Director of Planning & Development & Dept. Staff, City of Willmar (11/12/19, 11/26/19, 12/10/19, 1/14/20)
15. Disc. w/Partner from HG Real Estate Partners re investment in Willmar Opportunity Zone
16. Mtg. w/Melissa Knott to review and select aerial photos that were taken on November 9th (s (11/15 & 11/18)
17. Participated in follow-up meeting with Willmar City Staff re EpiTopix project, grant, and next steps (11/18/19)
18. Participated in Poultry Research Facility meeting w/Mayor Calvin, Dr. Johnson, Kathy Schwantes, Mike Kutzke, Ridgewater College MCROC (11/19/19)
19. Mtg. w/Mike Krupa re Willmar Opportunity Zone (11/19/19)
20. Attended Startup Pitch Night with three new area businesses at WORKUP (11/19/19)
21. Participated in Hwy 23 Coalition Board of Directors Mtg. at Dooley's Petroleum (11/20/19)
22. Participated in EDC Finance Committee Meeting re Glacial Ridge Winery (11/20/19)
23. Presented to Willmar Planning Commission re an Opportunity Zone Update and Annexation process for the EpiTopix Line Project (11/20/19)
24. Presentation to New London Business Network re hosting the 2020 Connecting Entrepreneurial Communities (CEC) Conference in New London (11/21/19)
25. Participated in Open Mic Program at KWLM (11/21/19, 12/19/19, 1/16/20)
26. Mtg. w/Betsy Bonnema and Connie Schmoll re WORKUP collaboration update
27. Participated in meetings re Marketing Prospectus with Willmar OZ Team and Golden Shovel at EDC Boardroom (11/25, 12/4/19, 12/10, and 12/11)
28. Mtg. w/Stacey Ryan and Roger Imdieke re 2020 CEC Conference application and next steps (11/27/19)
29. Attended Vision 2040 Steering Committee Meeting at Willmar Area Community Foundation
30. Participated in Willmar Child Care Center financial partners conference call re status of project and loan deferral (12/2/19)
31. Led MAPCED Executive Committee conference call (12/4/19)

32. Participated in Ridgewater College General Advisory Committee Mtg at Administration Building in Willmar (12/5/19)
33. Participated in conference call w/Justin Erickson, CVN & Joanna Schrupp, MWTC re Sterilucent proposal (12/5/19); Mtg. w/Joanna re proposal on 12/10/19
34. Presented the Innovative BDPI Grant Agreement for the Epitopix Sewer Project at Willmar Finance Committee Mtg. (12/5/19)
35. EDC BRE Committee Meeting—viewed latest version of the community video
36. Monthly Mtg. w/Dr. Johnson, President, Ridgewater College (12/6/19)
37. Chaired MAPCED Quarterly Meeting (held in conjunction w/AMC Annual Conference in St. Cloud) on 12/9/19; Presented the MAPCED Economic Development Award at AMC Awards Banquet on 12/11/19
38. Participated in EDC Finance Committee Mtg. re Willmar Child Care Center Loan Deferral and loan portfolio update (12/10/19)
39. Mtg. w/Scott Marquardt, SWIF at EDC re WCCC, Glacial Ridge Winery, Sterilucent (12/10/19)
40. Attended Willmar Chamber Connection at Heritage Bank (12/13/19)
41. Attended poultry education discussion initiative w/Mike Kutzke, Ridgewater College, Rick Huisinga, Life-Science Innovation; Melanie Faust, Jennie-O Turkey Store; Dr. Tim Johnson, Dr. Carol Cardona & Kathy Schwantes; etc. at Ridgewater (12/13/19)
42. Interview for upcoming Willmar Opportunity Zone news article (12/16/19)
43. Presented to Willmar City Council re IBDPI Grant Acceptance & Agreement for Epitopix sewer line project (12/16/19)
44. Participated in Poultry Research Facility meeting w/Mayor Calvin, Dr. Tim Johnson, Kathy Schwantes at MCROC (12/17/19)
45. Participated in Hwy 23 Coalition Board of Directors Mtg. at Dooley's Petroleum (12/18/19)
46. Presented to Willmar Planning Commission re an Opportunity Overlay District and Annexation process for the Epitopix Line Project (12/18/19)
47. Participated in EDC Marketing & PR Committee Mtg at WORKUP (12/23/19)
48. Mtg. w/Cheryl Glaeser & Donn Winckler re LYFT Pathways Program
49. Several transition meetings w/Bob Byrnes, the new Hwy 23 Coalition Coordinator
50. Participated in EDC BRE Committee Mtg (1/3/20)
51. Mtg. w/James Miller, United Way, to turn in Final Report for Retail Business Design Workshops (1/2/20)
52. Mtg. w/Sarah Swedburg re Willmar OZ maps (1/3/20)
53. Attended CVB Leisure Travel Committee Mtg. at Patina Marquet at Kandi Mall
54. Participated in planning meeting for CMJTS Women-on-the-Move Training Opportunity at Ridgewater College (1/6/20)
55. Attended Willmar Township Board of Supervisors meeting re annexation for Epitopix project (1/7/20)
56. Participated in Willmar Chamber 2020 Tax Reform Update (1/9/20)
57. Attended event with SMSU President Kumara Jayasuriya, Midtown Plaza (1/10/20)
58. Participated in Hwy 23 Coalition Board of Directors Mtg. at Dooley's Petroleum (1/15/20)



59. Mtg. w/Stacy Griffey, Director of Equity, Inclusion & Student Success at Ridgewater College (1/15/20)
60. Conference Call w/Scott Marquardt, SWIF & Judy Jandro, CRF re panel presentation at EDAM Winter Conference (1/17/20)
61. Participated in Poultry Education Initiative meeting w/Dr. Tim Johnson, Kathy Schwantes , Connie Schmoll, and reps of Ridgewater College at MCROC (1/21/19)
62. Attended Willmar City Council meeting re annexation for EpiTopix project (1/21/20)
63. Strategy Session w/Cheryl Glaeser, Achieve TFC, re EDC Strategic Planning Session (1/22/20)

Business Visits

1. Tour of old CABHS Building on MWTC with Joanna Schrupp
2. Visit to Pinnacle X-Ray Solutions, a new business in southwest Willmar
3. Tour of Midtown Plaza Building—tested new elevator for first time
4. Met w/Sergio Fuentes, Royal Cutz Barbershop and Willmar City Councilmember
5. Viewed the Willmar Child Care Center location
6. Tour of Beauty Box's new location in Willmar; participated in 4th Retail Business Design Workshop Follow-up Meeting at Beauty Box (12/4/19)
7. Mtg. w/Brian Berget, a new CPA consultancy business in Willmar
8. Mtg. w/Brian Bollig, Bollig Engineering
9. Tour of the newly opened the YMCA Early Learning Center in Spicer
10. Mtg. w/Brad Kneisl, Brad's Tree Service
11. Visit w/Abdiweli Yusuf, Amin Grocery, re Retail Business Design Workshop TA Project
12. Meeting w/rep of potential new business for Willmar (1/2 & 1/10/20)
13. Meeting w/representatives of four entities for potential development in Willmar OZ (1/8/20)
14. Meeting w/local business owner re a new commercial building in Willmar OZ (1/10/20)
15. Meeting w/owner of Mpls business considering expanding to MWTC in Willmar (1/13/20)